



## WMCA Board

**Date:** Friday 17 November 2023

**Time:** 11.00 am **Public meeting** Yes

**Venue:** Council Chamber, Birmingham City Council, Council House, Victoria Square, Birmingham, B1 1BB

### Membership

#### Constituent Members

Andy Street (Chair)  
Councillor Bob Sleigh (Vice-Chair)

Councillor Adrian Andrew  
Councillor Mike Bird  
Councillor Paul Bradley  
Councillor Kerrie Carmichael  
Councillor John Cotton  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Steve Evans  
Councillor Patrick Harley  
Councillor Abdul Khan  
Councillor Bob Piper  
Councillor Stephen Simkins  
Councillor Sharon Thompson

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Birmingham City Council  
Solihull Metropolitan Borough Council  
Coventry City Council  
City of Wolverhampton Council  
Dudley Metropolitan Borough Council  
Coventry City Council  
Sandwell Metropolitan Borough Council  
City of Wolverhampton Council  
Birmingham City Council

#### Non-Constituent Members

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor Tony Johnson  
Councillor Susan Juned  
Councillor Lezley Picton  
Councillor Derek Poole  
Councillor Izzi Seccombe  
Councillor Paul Turner  
Councillor Kristofer Wilson  
Councillor David A Wright

Telford & Wrekin Council  
Redditch Borough Council  
Cannock Chase District Council  
Stratford-on-Avon District Council  
Shropshire Council  
Rugby Borough Council  
Warwickshire County Council  
Tamworth Borough Council  
Nuneaton and Bedworth Borough Council  
North Warwickshire Borough Council

**Observers Awaiting Membership**

Councillor Ian Davison

Warwick District Council

**Co-Opted Member**

Lee Barron

Midlands Trades Union Congress

**Observer Members**

Councillor Greg Brackenridge

Simon Foster

West Midlands Fire Authority

West Midlands Police & Crime Commissioner

Quorum for this meeting shall be at least one member from five separate Constituent councils

If you have any queries about this meeting, please contact:

**Contact**

Dan Essex, Governance & Scrutiny Manager

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# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 13 October 2023	Chair	1 - 6
5.	Forward Plan	Chair	7 - 12
6.	Regional Activity & Delivery Update	Chair	Verbal Report
<b>Finance</b>			
7.	WMCA Financial Monitoring Report - November 2023 [Includes private appendix 12]	Councillor Bob Sleigh	13 - 56
8.	European Athletics Championships	Councillor Bob Sleigh	To Follow
<b>Levelling Up / Devolution</b>			
9.	West Midlands Investment Zone and Levelling Up Zones Update [Includes private appendix 3]	Councillor Sharon Thompson	57 - 80
<b>Environment &amp; Energy</b>			
10.	Air Quality Framework Implementation Plan	Councillor John Cotton	81 - 134
<b>Inclusive Communities</b>			
11.	WMCA Homelessness Taskforce: Update and Key Priorities	Councillor Kerrie Carmichael	135 - 146

<b>Transport</b>			
12.	Update on HS2 Announcements and Network North Funding	Councillor Mike Bird	147 - 154
13.	Birmingham Eastside Extension	Councillor Mike Bird	155 - 166
14.	New Stations Package 1: Project Costs Update	Councillor Mike Bird	167 - 172
<b>Minutes</b>			
15.	Investment Board - 24 July 2023	Councillor Bob Sleigh	173 - 180
16.	Overview & Scrutiny Committee - 4 September 2023	Councillor Cathy Bayton	181 - 186
17.	Transport Delivery Overview & Scrutiny Committee - 4 September 2023	Councillor John McNicholas	187 - 192
18.	Economic Growth Board - 22 September 2023	Councillor Stephen Simkins	193 - 200
19.	Audit, Risk & Assurance Committee - 4 October 2023	Mark Smith	201 - 208
20.	Investment Board - 16 October 2023	Councillor Bob Sleigh	209 - 216
21.	Housing & Land Delivery Board - 18 October 2023	Councillor Ian Courts	217 - 220
22.	Overview & Scrutiny Committee - 19 October 2023	Councillor Cathy Bayton	221 - 224
23.	Transport Delivery Overview & Scrutiny Committee - 30 October 2023	Councillor John McNicholas	225 - 228
24.	Transport Delivery Overview & Scrutiny Committee - 30 October 2023	Councillor John McNicholas	229 - 232
25.	Overview & Scrutiny Committee - 6 November 2023	Councillor Cathy Bayton	233 - 238
<b>Date of Next Meeting</b>			
26.	Friday 12 January 2024 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 13 October 2023 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street (Chair)

Councillor Adrian Andrew  
Councillor Paul Bradley  
Councillor Kerrie Carmichael  
Councillor John Cotton  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Steve Evans  
Councillor Karen Grinsell  
Councillor Patrick Harley  
Councillor Peter Hughes  
Councillor Stephen Simkins

Mayor of the West Midlands Combined Authority  
Walsall Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Birmingham City Council  
Solihull Metropolitan Borough Council  
Coventry City Council  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
City of Wolverhampton Council

#### **Non-Constituent Members**

Councillor Matthew Dormer  
Councillor Derek Poole  
Councillor Izzi Seccombe  
Councillor Kristofer Wilson

Redditch Borough Council  
Rugby Borough Council  
Warwickshire County Council  
Nuneaton & Bedworth Borough Council

#### **Co-opted Member**

Rob Johnson

Midlands Trades Union Congress

#### **Observer Members**

Councillor Greg Brackenridge  
Simon Foster

West Midlands Fire Authority  
West Midlands Police & Crime  
Commissioner

#### **In Attendance**

Councillor John McNicholas

Transport Delivery Overview & Scrutiny  
Committee

#### **47. Apologies for Absence**

Apologies for absence were received from Lee Barron (Midlands Trades Union Congress), Councillor Mike Bird (Walsall), Councillor Ian Davison (Warwick), Councillor Susan Juned (Stratford-on-Avon), Councillor Bob Sleigh (Solihull) and Councillor Sharon Thompson (Birmingham).

#### **48. Chair's Remarks**

**(a) Israel - Gaza Conflict**

The Chair noted the recent events in Israel and Gaza and, on behalf of the board, expressed his deep regret at the loss of life and a profound hope that communities across the West Midlands continued to live in peace during these difficult times. Members of the board paused to allow for a moment of personal reflection on the recent developments.

**(b) National Transport Awards - 5 October**

The Chair reported that at the recent National Transport Awards, Transport for West Midlands had won Regional Transport Authority of the Year, West Midlands Metro had won UK Tram Operator of the Year, and Kate Evans, Bus Station Supervisor, had won Frontline Employee/Community Champion of the Year. He congratulated all of the winners for their well-deserved recognition.

**(c) Emma Bennett, Chief Executive, Walsall Metropolitan Borough Council**

The Chair welcomed Emma Bennett to her first meeting of the board, following her recent appointment as the new Chief Executive of Walsall Metropolitan Borough Council.

#### **49. Minutes - 15 September 2023**

The minutes of the meeting held on 15 September 2023 were agreed as a correct record.

#### **50. Forward Plan**

The forward plan of items to be reported to future meetings of the board was noted.

#### **51. Regional Activity & Delivery Update**

The board received a presentation from the Chief Executive setting out the regional activity in recent months. Following the Government's announcement regarding the cancellation of the HS2 line between Birmingham - Manchester, significant transport investment had been announced, including funding for the Midlands Rail Hub, an additional £100m in the City Region Sustainable Transport Settlement 1 programme, and £250m transport revenue support for existing network sustainability. She also highlighted the launch of a sector-based Work Academy Programme at the City of Wolverhampton College, 25 new sustainable homes being built in Kingshurst, and the award of a grant to restore water and wildlife habitats at Pitts Wood in Quinton.

Councillor Stephen Simkins stressed the importance of constituent councils understanding fully the regional implications of the decision to cancel the northern leg of HS2, as well as a clear process for considering where any additional funding into the region should be spent. The Chair acknowledged that his discussions with the Government over this issue were, by necessity, conducted at short notice, but that he was mindful during those discussions of what this board had previously agreed. He agreed that a full report on the regional implications of the HS2 announcement would be submitted to the next meeting of the board.

Resolved:

The update be noted.

## **52. Deeper Devolution Deal Ratification**

The board considered a report of the Executive Director for Strategy, Economy & Net Zero seeking the ratification of the deeper devolution deal, which would enable the WMCA, working with local authorities and other partners, to continue its implementation.

The deeper devolution deal contained over 190 commitments across a wide range of policy areas, and the report summarised the contents of the deal, the WMCA's implementation plan and the work being undertaken with local authorities and other partners to deliver it.

Simon Foster expressed his disappointment that the devolution deal did not provide for the further devolution of powers to West Midlands Police to help reduce crime, strengthen criminal justice and improve community safety. The Chair confirmed that, although proposals in these areas were submitted, the Government had chosen not to devolve further powers at this time.

Members of the board recognised that, whilst devolution at a greater scale would have been preferable, the deal did still provide for a significant transfer of powers to the region. The Executive Director for Strategy, Economy & Net Zero confirmed that further discussions were on-going with the Government regarding Levelling Up Zones, and that a full report would be submitted to the next meeting of the board on 17 November.

Resolved:

- (1) The 'trailblazer' deeper devolution deal between the WMCA and the Government be formally ratified.
- (2) The Governance Review and Scheme for devolution to the WMCA of the administration of Bus Service Operators Grant under section 154 (1), (3) and (4) of the Transport Act 2000 be approved for submission to the Secretary of State for Transport.

## **53. New Stations Package 1: Update**

The board considered a report of the Executive Director for Transport for West Midlands on the impact on the West Midlands Rail Programme (New Stations Package 1 Project), following Buckingham Group Contracting Ltd being placed into administration, and the subsequent decision to novate the contract to Kier Integrated Services Ltd.

The City Region Sustainable Transport Settlement rebase paper approved by the board on 15 September 2023 flagged an early warning in relation to New Stations Package 1 and indicated an update would be brought back to the board at a later date. Buckingham Group Contracting Ltd was the principal contractor on the New Stations Package 1 project, to build new rail stations at Willenhall and Darlaston, but was placed into administration on 4 September.

Two options were then considered: whether to novate the existing contract to Kier Integrated Services Ltd, or to terminate the contract and explore an alternative delivery route. The risks and opportunities associated with both options were assessed, and novation was considered to be more cost effective and allow for earlier delivery

Resolved:

- (1) The insolvency and administration proceedings of the principal contractor for the New Stations Package 1 project, Buckingham Group Contracting Ltd be noted.
- (2) The decision made at West Midlands Rail Partnership Board on 28 September 2023 to novate the Package 1 main works contract to Kier Integrated Services Ltd be noted.
- (3) The work underway to re-assess affordability and funding be noted, and the options to be bought back for consideration to a future board.
- (4) It be noted that in the interim period, only work associated with scheme costs that will remain in scope and within the existing budget will continue to be incurred until a resolution to the overall scheme affordability has been reported to and agreed by board.
- (5) The board's continued commitment to complete Package 1 in full and as a single, fully funded programme of work, be noted.

**54. Environment & Energy Board - 12 July 2023**

The board considered the minutes of the Environment & Energy Board held on 12 July 2023.

Resolved: The minutes of the meeting held on 12 July 2023 be noted, with the addition of the apologies for absence from Councillor Peter Hughes.

**55. Economic Growth Board - 12 July 2023**

The board considered the minutes of the Economic Growth Board held on 12 July 2023.

Resolved:

The minutes of the meeting held on 12 July 2023 be noted.

**56. Audit, Risk & Assurance Committee - 19 July 2023**

The board considered the minutes of the Audit, Risk & Assurance Committee held on 19 July 2023.

Resolved:

The minutes of the meeting held on 19 July 2023 be noted.



**57. Young Combined Authority - October 2023 Update**

The board considered a report of the recent activity of the Young Combined Authority.

Resolved:

The report be noted.

**58. Date of Next Meeting**

Friday 17 November 2023 at 11.00am

The meeting ended at 12.20pm.

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# West Midlands Combined Authority

## Forward Plan

## Forthcoming key decisions

Title of key decision:	Decision to be taken by and date:	Open or Exempt:	Portfolio Lead	Employee to contact:
<b>Regional Activity &amp; Delivery Update</b> To provide an update on recent activity of the WMCA.	WMCA Board 17 November 2023	Open	Andy Street Mayor	Laura Shoaf Chief Executive of the West Midlands Combined Authority
<b>WMCA Financial Monitoring Report - November 2023</b> to provide an update on the latest financial position	WMCA Board 17 November 2023	Open	Councillor Bob Sleight Finance Portfolio Lead	Beverly Sullivan, Sally Truman Financial Planning and Coordination Manager, Lead Financial Planning Accountant
<b>Investment Zone and Levelling Up Zone Governance</b> To consider governance arrangements supporting the region's Investment Zone and Levelling Up Zone proposals.	WMCA Board 17 November 2023	Open	Councillor Stephen Simkins Economy & Innovation Portfolio Lead	Jonathan Gibson Head of Policy & Public Affairs
<b>Air Quality Framework</b> To approve the draft framework that reviews all of the measures possible to accelerate improvements to regional air quality, following public consultation and consideration by the Environment & Energy Board.	WMCA Board 17 November 2023	Open	Councillor John Cotton Environment, Energy & HS2 Portfolio Lead	Jacqueline Homan Head of Environment

<p><b>WMCA Homelessness Taskforce: Update and Key Priorities</b> The purpose of this paper is to update and engage WMCA Board members on the current work programme and priorities of the WMCA Homelessness Taskforce.</p>	WMCA Board 17 November 2023	Open	Councillor Kerrie Carmichael Inclusive Communities Portfolio Lead	Neelam Sunder Senior Programme Manager - Homelessness
<p><b>HS2 / 'Network North' Update and Implications</b> To consider further details on the economic implications of HS2 not going to Manchester, the package of proposed alternative transport projects and funding governance arrangements.</p>	WMCA Board 17 November 2023	Open	Councillor Mike Bird Transport Portfolio Lead	Anne Shaw Executive Director of Transport for West Midlands
<p><b>Birmingham Eastside Extension</b> position paper on scheme and next steps</p>	WMCA Board 17 November 2023	Open	Councillor Mike Bird Transport Portfolio Lead	Marilyn Grazette Programme Sponsor
<p><b>New Stations Package 1 Update</b> Paper to update the Board on the impacts of the novation to a new contractor for the Package 1 New Stations contract.</p>	WMCA Board 17 November 2023	Open	Councillor Mike Bird Transport Portfolio Lead	Liz Baker Strategic Sponsor
<p><b>State of the Region</b> State of the Region for the West Midlands in 2024</p>	WMCA Board 12 January 2024	Open	Andy Street Mayor	Si Chun Lam Head of Research, Intelligence and Inclusive Growth
<p><b>Health of the Region</b> To consider an update report reviewing the health of the region.</p>	WMCA Board 12 January 2024	Open	Councillor Izzi Seccombe Wellbeing Portfolio Lead	Julia Cleary, Mubasshir Ajaz Head of Corporate Support & Governance, Head of Health and Communities • Strategy, Integration and Net Zero

<b>Draft WMCA 2024/25 Budget</b> To consider the draft WMCA budget for 2024/25.	WMCA Board 12 January 2024	Open	Councillor Bob Sleigh Deputy Mayor	
<b>Skills Funding</b> To consider the latest position regarding skills funding.	WMCA Board 15 March 2024	Open	Councillor George Duggins Skills & Productivity Portfolio Lead	Dr. Fiona Aldridge Head of Insight & Intelligence
<b>WMCA's Overview &amp; Scrutiny Committee and Transport Delivery Overview &amp; Scrutiny Committee - Progress Update</b> To provide a quarterly summary of the activity of work of the WMCA's overview and scrutiny function, as required by the Deeper Devolution Deal.	WMCA Board 15 March 2024	Open	Andy Street Mayor	Lyndsey Roberts Scrutiny Officer

## The Forward Plan

This document sets out known 'key decisions' that will be taken by the West Midlands Combined Authority (WMCA) over the coming months.

Forthcoming key decisions are published online to meet the statutory 28 day notification rule for each meeting where a key decision will be taken. Where it has not been possible to meet the 28 day rule for publication of notice of a key decision or an intention to meet in private, the relevant notices will be published as required by legislation as soon as possible.

### What is a key decision?

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A 'key decision' means a decision of the Mayor, WMCA or officer which is likely:

- (a) to result in the WMCA incurring expenditure, making savings or generating income amounting to £1m or more; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the WMCA

The report relating to a decision, together with any other documents being considered, will be available five clear working days before the decision is to be taken (unless the documentation contains exempt information).

The forward plan also provides notice of when the WMCA may decide to exclude the press and public during consideration of a particular matter due to the potential for disclosure of confidential or exempt

information. The grounds upon which local authorities can exclude the press and public are specified by law and details of the exempt categories are available on request from the Governance Services team ([governance.services@wmca.org.uk](mailto:governance.services@wmca.org.uk)).

Councillors or members of the public wishing to:

- make a representation about why a matter should be heard in public, or
- submit information to the decision-making body about an item in the forward plan, or
- request details of relevant documents, or
- seek advice about the WMCA's decision-making arrangements,

should contact the Governance Services team: [governance.services@wmca.org.uk](mailto:governance.services@wmca.org.uk)





## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	Financial Monitoring Report 2023/24
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk
<b>Report has been considered by</b>	Executive Board – 8 November 2023 WM FDs – 9 November 2023

### Recommendation(s) for action or decision:

#### WMCA Board is recommended to:

- (1) Note the financial position as at 30 September 2023, as detailed in Sections 2 and 3.
- (2) Note the early warning of a further projected overspend of £1.5m on the Metro Wolverhampton City Centre Extension project and approve the proposed funding solution and potential budget increase of £1.5m.
- (3) Note the new grant awards to the WMCA as shown in Section 5.
- (4) Note the updated financial planning position for the period 2024/25 to 2028/29, as detailed in Section 6.
- (5) To note the updated position on the Sustainable Warmth Competition, as outlined in Section 8.
- (6) Note the Treasury and Prudential Indicators for the period ending September 2023 (Quarter 2) as outlined in Section 9 and Appendix 6 of this report.
- (7) To note the outcome of the annual review of the Single Assurance Framework (SAF), undertaken in accordance with the requirements mandated by Government (Section 14).

- (8) Note the performance to date of the West Midlands 100% Business Rates Retention Pilot, as detailed in private Appendix 12.
- (9) Agree to the Memorandum of Understanding (MoU) with Government regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Trailblazing Devolution Deal (private Appendix 12).
- (10) Delegate to the Section 151 Officer (following consultation with the relevant portfolio holder) the ability to accept grants awarded to WMCA between the date of this meeting and the January 2024 WMCA Board meeting; subject to the terms and conditions of those grants being acceptable to the WMCA Monitoring Officer, Section 151 Officer and the relevant Executive Director and the relevant SAF process being followed.

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's finances as at 30 September 2023, an update on the medium term financial plan and risks facing the organisation.

## **2.0 2023/24 Year to Date Revenue Position**

- 2.1 Appendix 1 shows the overall consolidated revenue position for the West Midlands Combined Authority, whilst Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery Portfolios and the Mayoral office respectively.
- 2.2 The position at the end of September is a surplus of £4.0m which is a favourable variance from budget of £3.9m.
- 2.3 Within Transport there is a surplus of £2.6m which represents a favourable variance from budget of £2.2m. The year to date position is due to the impact of staffing vacancies as well as receipt of Local Transport Fund grant which will meet contractual costs of the tendered bus service across the rest of the financial year. Concessionary related underspends have arisen due to patronage remaining below pre pandemic levels. In line with agreement from the Board, these savings have been transferred to a reserve to protect against future transport network risks.
- 2.4 Within the Portfolio budgets there is a favourable variance of £1.7m due to staff vacancies, underspends on external advice and receipt of new grant income. There remain underspends against the grants within Economic Skills and Communities totalling £38.3m to date, including AEB, Multiply, Digital Skills and UKSPF. This position is only of timing only, with fully recovery of the position anticipated at year end.
- 2.5 The Mayoral Office position as at the end of September 2023 was in line with budget.

## **3.0 2023/24 Capital Programme Position**

- 3.1 Appendix 5 sets out the position on the Capital Programme as at the end of September 2023. Actual costs totalled £168.6m, resulting in a favourable variance of £80.0m against a phased budget of £247.5m. This means that around 68% of the planned programme has been delivered in line with original phasing.

- 3.2 The year to date expenditure to budget variance is primarily contained within Transport (£47.0m), Housing and Regeneration (£20.0m) and a further £10.7m within the capital programme delivered externally by Local Authorities.
- 3.3 Within Transport, the variances are mainly within Metro (£29.3m), Rail (£10.4m) and Data and Digital (£3.2m). The Metro programme reflects the latest programme schedule with £16.5m underspend on the Birmingham Eastside Extension due to rescheduling of construction and utility works and associated land vesting and a further £5.1m on Metro enhancements due to timings around agreeing technical features and detailed designs for the Wednesbury Depot and deferment of work in relation to Metro Line 1 as a result of a prolonged procurement challenge. In addition, the rescheduling of land purchases for the Wolverhampton City Centre Extension has resulted in £3.7m variance. Within Rail, the operational issues at Rail Package 2 sites including presence of badgers, a listed wall and a water well has meant a rescheduling of works and £4.1m underspends. There is a further £3.1m underspend on Rail Package 1 due to the delays resulting from the work stoppage when the construction contractor went into administration, with work resumed now that a new contractor has been appointed. There are savings against budget to date on the Data and Digital workstreams relating to the timing of project work.
- 3.4 The Metro Wolverhampton City Centre Extension is currently projecting an increase of £1.5m to its cost to complete, taking the forecast from £51.9m to £53.4m. The enhanced budget includes c£1.4m from changes expected to be funded from the Wolverhampton Interchange Programme. The projected overspend is as a result of cost increases due to delays in completion of detailed design and as built drawings, extension in construction works as a result of additional scope including bus interchange paving, Plaza lighting as a result of Network Rail requirements, increase in low voltage system scope, slurry wash and site preliminaries. It is proposed that £1.5m of the Transforming Cities Fund (TCF) is re-purposed from aborted schemes to mitigate this overspend.
- 3.5 Within the Housing and Regeneration programme, there is a £9.2m underspend in relation to the Land and Property Investment Fund where the Phoenix 10 project which has been rephased, with commencement later in the financial year. Other movements of £8.9m relate to projects that are still to be brought forward for approval, and a further £1.8m where projects have not progressed at the pace anticipated at the budget development stage.

#### **4.0 Revenue and Capital Forecast Update**

- 4.1 The second re-forecast will be completed in October 2024 and reported to the WMCA Board in January 2024. This re-forecast will incorporate the latest funding position as well as the profiling and cost of delivering activities over remaining 6 months of the year. The current forecast outturn remains unchanged from that previous report, a balanced position for revenue and a £44.2m reduction in capital spend compared to the budget.

#### **5.0 New Funding**

- 5.1 Since the last report, new grant funding, totalling £16.6m has been secured, as the WMCA continues in its efforts to source additional funding to deliver its priorities. Details of these grants are summarised in the table below.

Grant name	Value	Grant period		Purpose
	£m	From	To	
West Midlands Business Energy Assessment Service (BEAS)	14.110	Apr-23	Mar-25	Overall objective is national energy productivity, supply chain resilience and global competitiveness. High volume (2-4000) of well-targeted and tailored energy efficiency interventions in small and mid-sized energy-exposed businesses. The emphasis is on data and evaluation, diversity of sectors and variety of interventions. To include resource efficiency advice, identifying the most cost-effective ways for government to address market barriers, permanently mitigate impacts of the energy cost crisis and increase UK economic and supply chain resilience.
Sport England Solicited Grant	2.500	Apr-23	Mar-25	An agreed Wellbeing Board Sport England Lottery workstream which includes: a Commonwealth Games collaborative leadership programme for the Physical Activity system, Black Country Moving (placed based funding with grant agreement to Black Country Consortium Limited), Include Me West Midlands (an ongoing work programme consisting secondment to manage work to address identified barriers preventing disabled people getting active e.g. transport), a regional action commitment, citizen voice and a Public Space Design trial and learn programme. Negotiations started in developing a 5-7 year partnership to deliver twin strategic priorities.
<b>Total</b>	<b>16.610</b>			

5.2 The Department for Transport (DfT) has confirmed additional investment for transport in the West Midlands, arising from reprioritised spending following the cancellation phase 2 of HS2. A separate paper to this meeting talks about the implications of this decision. The majority of the funding announced for the West Midlands related to the capital programme, including:

- £100m for existing metro extensions, including completion of the second phase of the Wednesbury to Brierley Hill Metro extension and for major development work at Arden Cross
- £1.75bn for the Midlands Rail Hub which will increase capacity for new services, increase journey times and provide linkages to other cities including Bristol, Cardiff, Leicester and Nuneaton.
- £700m increase in the West Midlands' City Region Sustainable Transport Settlement (CRSTS) allocation for the next round from 2027-2032.
- £100m to share across the north and Midlands to roll out contactless tap and go smart ticketing, which is work currently been piloted by TfWM.

5.3 There is also confirmation of £250m in revenue support over the next 5 years to support network stability. This was announced by HMG on 4 October as part of the £36bn Network North plan following the cancellation of the northern leg of HS2. WMCA officers are in dialogue with HMG officials on the precise requirements for the funding draw down who will also seek assurance that we are addressing the historic local under funding gap and that we are utilising the new funds to protect direct local transport services. Further details will be provided to Board once known.

5.4 A further £16.9m of additional Bus Service Improvement Programme funds for 2024/25 were awarded to WMCA as part of a national £150m package announced on 23rd October. Discussions are ongoing with HMG to understand requirements for these funds however they will need to deliver improvements rather than plug existing pressures.

5.5 It is anticipated there may be further funding decisions to be announced between the date of this meeting and the next WMCA Board meeting in January 2024. Should any of these funds require acceptance before the WMCA Board meeting in January 2024, it is requested that authority is delegated to the WMCA's S151 officer, in conjunction with the relevant Portfolio lead, to accept funds subject to satisfactory terms and the relevant SAF process being followed.

## **6.0 2023/24 MTFP Update**

- 6.1 The July, September and November 2023 reports to the WMCA Board documented the work undertaken on the WMCA's medium term financial processes and the ongoing engagement with the Mayor and Met Leaders.
- 6.2 WMCA will continue to work with Met Authorities and Leaders to deliver a balanced budget for 2024/25 for approval by WMCA in January 2024.

## **7.0 ITS World Congress**

- 7.1 Transport for West Midlands (TfWM), the Department for Transport and Centre for Connected and Automated Vehicles have begun planning for the 2027 Intelligent Transport Systems World Congress (ITS WC) in Birmingham, after TfWM was selected as preferred host. The WMCA Board approved bidding to host the ITS WC in February 2020. An initial HMG/TfWM steering group has met in Birmingham to scope out roles and responsibilities for the event. TfWM is now mobilising the project team and reviewing the plan and financial model with a view to agree contractual arrangements with awarding body (ERTICO) early in 2024.

## **8.0 Sustainable Warmth Competition Update**

- 8.1 Installations on the Sustainable Warmth Competition project are now complete. Due to a number of dropouts over the last few months of the project where measures have not been technically feasible or where customers have not wanted to proceed with work, the number of homes within the project and overall project costs have been reduced significantly. The final number of homes within the project will be 76, down from a predicted 157 in July. While we are awaiting final confirmation of costs from our contractor, we anticipate that the total project costs will be approximately £650k, reduced from the £1.7m predicted in July. The original grant allocated for this work was £2.6m.

## **9.0 Compliance with Treasury and Prudential Indicators (Quarter 2 Update)**

- 9.1 Appendix 6 provides details of the Treasury and Prudential indicators for the period ending 30 September 2023 (Quarter 2). This is being reported in accordance with the requirements of the 2021 CIPFA Prudential Code for Capital Finance in Local Authorities and 2021 CIPFA Treasury Management in the Public Services Code of Practice to help Members understand and evaluate the prudence and affordability of the Authority's capital expenditure plans and the borrowing and investment activities undertaken in support of this.
- 9.2 No difficulties are envisaged for the current or future years in complying with these indicators.
- 9.3 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices. A detailed Treasury mid-year report will be provided to ARAC on 4 December that will comply with the TM Code requirements and will detail all investments.

## **10.0 Investment Programme**

- 10.1 The financial results for the West Midlands Regional Investment Programme run one month behind the regular management accounts, due to the requirement to consolidate outputs across the metropolitan area.
- 10.2 The August 2023 expenditure for the West Midlands Regional Investment Programme is shown at Appendix 7, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).
- 10.3 Appendix 8 summarises grant funding commitments approved by WMCA for projects within the WMCA Investment Programme, which total £853.7m as at 30th September 2023 (no overall change from the last reporting at WMCA Board).
- 10.4 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments totals £520.2m.

## **11.0 CRSTS**

- 11.1 CRSTS funding formally approved and available to be utilised totalled £504.8m as of 30th September 2023. A breakdown of this total is provided within Appendix 9.
- 11.2 Earlier this year DfT gave all mayoral combined authorities receiving CRSTS funding the opportunity to make changes to their approved CRSTS capital programme, in recognition of the effects of high levels of inflation in recent years. Amendments to the West Midlands region CRSTS 1 programme were approved locally at the September 2023 sitting of WMCA Board. A re-baselined CRSTS programme has subsequently been submitted to DfT for their consideration.
- 11.3 The proposed re-baselined CRSTS programme extends the original £1.05bn programme to a £1.21bn programme, because DfT have allowed overprogramming to be included to cover the risk of some projects failing to drawdown all allocated CRSTS funding by the end of the first CRSTS settlement period.
- 11.4 However, Appendix 9 is reporting against the original £1.05bn CRSTS programme whilst DfT approval of the re-baselined programme remains pending.
- 11.5 A breakdown of the re-baselined CRSTS programme will be provided in a future Financial Monitoring Report once approval has been received from DfT.

## **12.0 Administered Funds**

- 12.1 Administered Funds totalled £78.0m as of 30 September 2023. The report excludes funds fully utilised and concluded by 31 March 2023. A breakdown of this amount is included within Appendix 10. Of this amount, £42.2m has been spent to date.
- 12.2 These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds received by WMCA and passported to partner authorities for delivery.
- 12.3 Elements of the overarching grants listed at Appendix 10 which are not passported are excluded from this Appendix.

### **13.0 Balance Sheet**

- 13.1 Appendix 11 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 30 September 2023.
- 13.2 The increase in property, plant and equipment reflects TfWM capital spend in relation to the Metro extensions.
- 13.3 The decrease in short-term deposits is largely due to receipts from the short-term loans with local authorities offset by payments in respect of AEB, CIF loans drawdown, PWLB loan repayment, Investment Programme and Metro extension schemes.
- 13.4 The short-term loans and CIF loans drawdown have led to a net increase in investments and short-term loans while payments for AEB, PWLB loan, Investment Programme and Metro extension schemes contributed to a net decrease in grants receipts in advance and earmarked reserves.
- 13.5 Short-term debtors have increased mainly due to grant income accrual for the Rail Network Enhancement Pipeline.

### **14.0 Annual Review Single Assurance Framework (SAF)**

- 14.1 WMCA is required to undertake an annual refresh of WMCA Single Assurance Framework document in accordance with Department for Levelling Up, Housing & Communities (DLUHC) document: The National Local Growth Framework (September 2021). This framework sets out Government's guidance for places that are required to develop their own local assurance framework. Executive Board and ARAC have already endorsed the draft Single Assurance Framework (SAF).
- 14.2 The SAF applies to all existing and new funding and projects that place a financial liability onto the WMCA. It provides consistency of approach and standards for programme assurance, appraisal and decision-making. It also enables a proportionate approach to be applied for the development of business cases.
- 14.3 Within WMCA, the SAF is a valuable tool to enable the WMCA to deliver successful projects and explain the clear rationale through the development of business cases, detailing how objectives will be delivered, using HM Treasury Green Book principles. The SAF also provides assurance to the S151 Officer by explaining the robust local systems and controls in place to ensure resources are spent with regularity, propriety and value for money.
- 14.4 The revisions for this year's refresh are relatively minor. The key changes are:
- Clearer highlighting of Governance role and approvals
  - Inclusion of Socio-Economic Duty
  - Updates to Inclusive Growth Framework
  - Inclusion of Modern.gov system for approvals
  - Replacing Statutory Officers Panel with Designated Sign-Off meetings
  - Reflecting change in name of SLT to Executive Board
  - Updates to Adult Education Budget Programme (AEB). Everything AEB related is now integrated into the SAF with a Programme Business Case and business cases being developed so in practice a standalone health check is not needed.

The Single Assurance Framework has been written to ensure that Inclusive Growth and equalities are part of the considerations when writing business cases. A copy of the proposed guidance as updated in September 2023, can be found via <https://www.wmca.org.uk/media/jntpl1ot/saf-2023.pdf>.

## **15.0 Business Rates**

- 15.1 The 7 Constituent Authorities of the WMCA have been part of a Business rates Retention pilot since 2017, whereby rather than retaining 50% with the other 50% going to Government for national redistribution, the pilot arrangement was for retention of 100% of the Business Rates generated in the area. The pilot arrangement was rolled forward and continued under the same terms until 2023/24 and has been beneficial for the West Midlands. As part of the West Midlands Deeper Devolution Trailblazer Deal, ratified by Board in October 2023, Government has offered to Local Authorities forming both West Midlands and Greater Manchester Combined Authorities only, the opportunity to extend the arrangement on a more permanent basis; for ten years commencing April 2024. Private Appendix 12 outlines proposals for a new agreement with the Department for Housing, Levelling Up and Communities (DLUHC) and the protections being sought to ensure that the scheme continues to provide a financially neutral or better financial position.
- 15.2 It should be noted that all Constituent Local Authorities are also taking the MoU through their respective governance and approval structures. A number of approvals have been obtained by Local Authorities with the final approvals expected in December. WMCA was supported fully in all negotiations on the contents of the MoU by Solihull MBC officers, as requested by the West Midlands Finance Director Group.

## **16.0 Financial Implications**

- 16.1 The financial implications are set out in the report.

## **17.0 Legal Implications**

- 17.1 In respect of the funding and passporting of funds there will be conditions that WMCA will need to adhere to. Legal support will be required for any legal documentation entered into in respect of the above.

## **18.0 Other Implications**

- 18.1 There are no Equalities, Inclusive Growth, Geographical or Other implications arising from this report.

## **19.0 Appendices**

- Appendix 1 – WMCA Consolidated Summary – September 2023
- Appendix 2 – WMCA Transport Revenue Summary - September 2023
- Appendix 3 – WMCA Portfolio Budget Summary – September 2023
- Appendix 4 – WMCA Mayor Revenue Summary – September 2023
- Appendix 5 – WMCA Capital Programme – September 2023
- Appendix 6 – Compliance with Treasury and Prudential Limits
- Appendix 7 – Total Regional Investment Programme Expenditure – August 2023



- Appendix 8 – WMCA Investment Programme Commitments – August 2023
- Appendix 9 – WMCA CRSTS Programme Commitments – September 2023
- Appendix 10 – WMCA Administered Funds – September 2023
- Appendix 11 – Balance Sheet – September 2023
- Appendix 12 – Business Rates Income (**Private**)

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – September 2023

£000's	Full Year			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	59,677	59,677	0	119,355	119,355	0
Revenue Grants & Other Income	13,743	25,664	(11,921)	44,934	44,141	793
Adult Education Funding	64,914	85,581	(20,667)	141,391	141,391	0
Share of Business Rates	0	0	0	12,000	12,000	0
Constituent Membership	2,322	2,322	0	4,644	4,644	0
Non Constituent Members	195	210	(15)	420	420	0
Investment Programme	3,492	5,628	(2,136)	36,500	36,500	0
Investment Income	3,787	2,356	1,431	5,552	4,712	840
Use of Reserves	5,055	5,039	16	9,295	9,201	94
<b>Total Funding</b>	<b>153,185</b>	<b>186,477</b>	<b>(33,292)</b>	<b>374,091</b>	<b>372,364</b>	<b>1,727</b>
Transport for West Midlands	62,089	64,318	2,228	128,589	128,557	(32)
Economic Delivery, Skills & Communities	73,437	111,493	38,056	186,283	186,554	271
Strategy, Integration and Net Zero	6,940	3,226	(3,714)	6,378	6,378	0
Housing & Regeneration	969	916	(53)	1,837	1,837	0
Portfolio Support	(1,472)	(1,609)	(137)	(3,178)	(4,274)	(1,096)
Investment Programme	6,829	7,587	758	53,153	52,418	(735)
Mayoral Office	387	441	54	894	894	0
<b>Total Expenditure</b>	<b>149,179</b>	<b>186,372</b>	<b>37,192</b>	<b>373,956</b>	<b>372,364</b>	<b>(1,592)</b>
<b>Net Expenditure (before earmarked reserves)</b>	<b>4,006</b>	<b>105</b>	<b>3,900</b>	<b>135</b>	<b>0</b>	<b>135</b>
Transport	2,644	400	2,244	61	0	61
Portfolios	1,362	(294)	1,656	74	0	74
Investment Programme	0	0	0	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>4,006</b>	<b>106</b>	<b>3,900</b>	<b>135</b>	<b>0</b>	<b>135</b>

The position at the end of September shows a surplus against budget of £3.9m. This comprises £2.2m within Transport and £1.7m within Portfolios.

Apart from staff savings, the year to date position within Transport reflects additional government funding in the form of the Local Transport Fund (£1m) that has now been confirmed to support the bus network from April to June 2023. The LTF will be utilised for the increasing costs of the tendered bus service across the year, so the year to date variation of £0.2m is a timing issue with the budget to be fully utilised by year end. Within Concessions there are £1.8m of savings due to lower patronage and fares, of this £1.4m have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year. In addition, there are savings of £0.4m within the Child Concessions budget which have been allocated against the efficiency target of £3m in year.

The favourable position on the Portfolios budget is largely due to staff vacancies, underspends on external advice and new grant income within Economic Delivery, Skills and Communities.

There remain underspends against the grants within Economic Skills and Communities totalling **£38.3m** to date, including AEB, Multiply, Digital Skills and UKSPF. Currently these are expected to be recovered by the end of the year.

## Appendix 2

### Transport for West Midlands Revenue Budget Position 30 September 2023

At the end of September 2023 there is a £2.2m favourable variance against budget.

	Year To Date			Full Year		
	Actual £'000	Budget £'000	Variance £000	Forecast £000	Budget £'000	Variance £000
Transport Levy	59,677	59,677	(0)	119,355	119,355	0
Business Rates	0	0	0	4,674	4,674	0
Use of Reserves	5,055	5,039	16	9,295	9,201	94
<b>Total Funding</b>	<b>64,733</b>	<b>64,717</b>	<b>16</b>	<b>133,324</b>	<b>133,229</b>	<b>94</b>
National Bus Concession	(22,110)	(22,118)	8	(47,251)	(47,251)	0
Metro / Rail	(2,288)	(2,286)	(1)	(4,572)	(4,572)	0
Child Concession	(2,731)	(3,081)	350	(6,937)	(7,162)	225
<b>Concessions</b>	<b>(27,130)</b>	<b>(27,486)</b>	<b>356</b>	<b>(58,760)</b>	<b>(58,985)</b>	<b>225</b>
Bus Stations / Infrastructure	(3,651)	(3,686)	35	(5,861)	(5,867)	5
Subsidised Network	(6,187)	(7,159)	972	(14,255)	(14,255)	0
Accessible Transport	(3,361)	(3,340)	(21)	(6,630)	(6,630)	(0)
<b>Bus Services</b>	<b>(13,198)</b>	<b>(14,184)</b>	<b>986</b>	<b>(26,747)</b>	<b>(26,752)</b>	<b>5</b>
Metro Services	(5,271)	(5,289)	17	(11,115)	(11,115)	0
Rail Services	(1,802)	(1,881)	79	(4,544)	(5,563)	1,019
<b>Rail and Metro Services</b>	<b>(7,074)</b>	<b>(7,170)</b>	<b>96</b>	<b>(15,660)</b>	<b>(16,679)</b>	<b>1,019</b>
Safety and Security	(471)	(435)	(35)	(2,374)	(2,374)	0
Passenger Information	(2,957)	(3,164)	207	(6,620)	(6,620)	0
Sustainable Travel	(912)	(931)	19	(2,005)	(1,891)	(114)
<b>Integration</b>	<b>(4,340)</b>	<b>(4,531)</b>	<b>190</b>	<b>(11,000)</b>	<b>(10,886)</b>	<b>(114)</b>
Network Resilience	(1,378)	(1,573)	195	(3,302)	(3,305)	3
Business and Democratic Support	(2,067)	(2,211)	145	(4,605)	(4,605)	0
Strategic Development	(1,812)	(2,035)	224	(4,389)	(4,391)	1
Transport Governance	(34)	(71)	37	(141)	(141)	(0)
Capital Finance Charges	(5,057)	(5,057)	(0)	(10,485)	(10,485)	0
Efficiency Target	0	0	0	1,826	3,000	(1,174)
<b>Total Expenditure</b>	<b>(62,089)</b>	<b>(64,317)</b>	<b>2,228</b>	<b>(133,263)</b>	<b>(133,229)</b>	<b>(34)</b>
<b>Net Surplus / Deficit</b>	<b>2,644</b>	<b>400</b>	<b>2,244</b>	<b>60</b>	<b>0</b>	<b>60</b>

#### Concessions

Savings in year within the ENCTS and Child concessions budgets are due to a lower service provision. To date savings within the ENCTS budget of £1.4m that have occurred due to a lower service provision have been transferred to a risk reserve in recognition of significant pressures around the transport network in the coming year.

#### Bus Services

The Tendered Bus Services budget has a favourable variance of £1.0m at the end of September, largely due to Local Transport (LTF) grant relating to the first quarter of the year. This will be utilised to offset an increase in contractual costs expected later in the year. Other areas remain largely in line with budget.

**Rail & Metro**

The full year position within Rail Services reflects a reduction in the operational rail budget within Transport of £0.9m due to the timing of the station openings.

**Integration**

Within Passenger Information there is a current underspend against budget of £0.2m which largely relates to savings against staff costs, bank charges and software costs plus higher ticketing commission than budgeted.

**Network Resilience**

There is a current under-spend relating to the timing of External Advice expenditure of £0.1m along with savings against the staffing budget of £0.1m.

**Strategic Development**

There are savings to date of £0.2m within Strategic Development which are largely due to Staff vacancies.

**Efficiency Target**

A £3.0m efficiency target is included within the full year budget. To date savings of £1.2m have been ear marked leaving £1.8m still to be identified. Savings to date are within the Rail Services (£0.9m), Child Concessions (£0.2m) and the Ring and Ride (£0.1m) budgets.

**Reserves**

Use of reserves drawn down relate to budgeted support for the 2023/24 Transport Budget and the delivery of the West Midlands Cycle Hire scheme.

Appendix 3

West Midlands Combined Authority Portfolios Budget – September 2023

	SEPTEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							<p>The full year position reflects budgeted investment income that will be re-prioritised. In addition there are pressures within operational areas of Enabling Services totalling £0.6m that will result in increased central recharges.</p> <p>Non-Constituent member fees are lower than budgeted as Coventry &amp; Warwickshire and The Marches LEPs have indicated their intention to withdraw non-constituent membership from WMCA resulting in an under collection of budgeted income.</p>
Mayoral Capacity Funding	0	0	0	87	87	0	
Other Revenue Income	0	250	(250)	0	500	(500)	
Notional Interest Receivable	449	397	52	898	794	104	
Business Rates Growth Income	0	0	0	7,326	7,326	0	
Contribution - 7 Met Council's	2,322	2,322	0	4,644	4,644	0	
Contribution - Non constituent members	195	210	(15)	420	420	0	
<b>Total Income</b>	<b>2,966</b>	<b>3,179</b>	<b>(213)</b>	<b>13,375</b>	<b>13,771</b>	<b>(396)</b>	
Corporate Support Recharges to Portfolios	1,472	1,359	113	(4,149)	(3,552)	(597)	
<b>Total Expenditure</b>	<b>1,472</b>	<b>1,359</b>	<b>113</b>	<b>(4,149)</b>	<b>(3,552)</b>	<b>(597)</b>	
<b>Operational Income Net Total</b>	<b>4,438</b>	<b>4,538</b>	<b>(100)</b>	<b>9,226</b>	<b>10,219</b>	<b>(993)</b>	
<b>Economy &amp; Innovation</b>							<p>New grant funding has been secured and activity re-aligned since the budget was set creating projected full year savings of £0.9m. The new grant income largely relates to the British Film Industry (BFI).</p>
Other Industrial Strategy Income	1,101	662	439	1,352	1,323	29	
Economic Delivery	0	0	0	0	0	0	
Create Central Projects	127	0	127	434	0	434	
Policy and Programme Development	102	0	102	102	0	102	
<b>Total Income</b>	<b>1,330</b>	<b>662</b>	<b>668</b>	<b>1,888</b>	<b>1,323</b>	<b>565</b>	
Industrial Strategy	(1,280)	(1,008)	(272)	(2,045)	(2,016)	(29)	
Economic Delivery	(87)	(236)	149	(472)	(472)	0	
Create Central Projects	(127)	(458)	331	(434)	(916)	482	
Policy and Programme Development	(102)	0	(102)	(102)	0	(102)	
Funding For Growth	(350)	(350)	0	(700)	(700)	0	
<b>Total Expenditure</b>	<b>(1,946)</b>	<b>(2,052)</b>	<b>106</b>	<b>(3,753)</b>	<b>(4,104)</b>	<b>351</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(616)</b>	<b>(1,390)</b>	<b>774</b>	<b>(1,865)</b>	<b>(2,781)</b>	<b>916</b>	
<b>Health and Communities</b>							<p>Savings are largely due to the vacant posts and the timing of External Advice expenditure.</p>
Head of Health & Communities	16	0	16	0	0	0	
Thrive at Work	170	234	(64)	387	351	36	
IPS Programme	923	39	884	233	39	194	
<b>Total Income</b>	<b>1,109</b>	<b>273</b>	<b>836</b>	<b>620</b>	<b>390</b>	<b>230</b>	
Head of Health & Communities	(184)	(409)	225	(818)	(818)	0	
Thrive at Work	(170)	(200)	30	(387)	(387)	0	
IPS Programme	(923)	(76)	(847)	(233)	(153)	(80)	
<b>Total Expenditure</b>	<b>(1,277)</b>	<b>(685)</b>	<b>(592)</b>	<b>(1,438)</b>	<b>(1,358)</b>	<b>(80)</b>	
<b>Health and Communities Net Total</b>	<b>(168)</b>	<b>(412)</b>	<b>244</b>	<b>(818)</b>	<b>(968)</b>	<b>150</b>	
<b>Employment and Skills</b>							<p>The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.</p> <p>The underspend against grant funded programmes within Employment &amp; Skills has continued to increase, however workstream leads currently expect acceleration of activity over the next 6 months and budgets to be spent by the end of the year.</p>
Employment & Skills	27	0	27	0	0	0	
Construction Skills	19	73	(54)	142	142	0	
Adult Education	64,914	85,581	(20,667)	141,391	141,391	0	
Careers	145	137	8	137	137	0	
Digital Skills	2,641	10,334	(7,693)	15,647	15,647	0	
European Structural & Investment Funding	654	664	(10)	994	994	0	
Multiply	292	2,875	(2,583)	5,838	5,838	0	
UKSPF	449	7,715	(7,266)	14,252	14,252	0	
Health Inequalities	38	246	(208)	417	417	0	
DBT Growth Hub	157	0	157	0	0	0	
<b>Total Income</b>	<b>69,336</b>	<b>107,625</b>	<b>(38,289)</b>	<b>178,818</b>	<b>178,818</b>	<b>0</b>	
Employment & Skills	(606)	(817)	211	(1,649)	(1,649)	0	
Construction Skills	(19)	(73)	54	(142)	(142)	0	
Adult Education	(64,914)	(85,581)	20,667	(141,391)	(141,391)	0	
Careers	(145)	(137)	8	(137)	(137)	0	
Digital Skills	(2,641)	(10,334)	7,693	(15,647)	(15,647)	0	
European Structural & Investment Funding	(654)	(664)	10	(994)	(994)	0	
Multiply	(292)	(2,875)	2,583	(5,838)	(5,838)	0	
UKSPF	(449)	(7,715)	7,266	(14,252)	(14,252)	0	
Health Inequalities	(38)	(246)	208	(417)	(417)	0	
DBT Growth Hub	(157)	0	(157)	0	0	0	
West Midlands 5G	(312)	(312)	0	(625)	(625)	0	
<b>Total Expenditure</b>	<b>(70,227)</b>	<b>(108,754)</b>	<b>38,527</b>	<b>(181,092)</b>	<b>(181,092)</b>	<b>0</b>	
<b>Employment and Skills Net Total</b>	<b>(891)</b>	<b>(1,129)</b>	<b>238</b>	<b>(2,274)</b>	<b>(2,274)</b>	<b>0</b>	
<b>Levelling Up</b>							<p>The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.</p>
Head of Policy & Public Affairs	79	30	49	60	60	0	
Commonwealth Games Legacy Fund	2,325	0	2,325	0	0	0	
<b>Total Income</b>	<b>2,404</b>	<b>30</b>	<b>2,374</b>	<b>60</b>	<b>60</b>	<b>0</b>	
Office of Data Analytics	5	(90)	95	(180)	(180)	0	
Executive Director of Strategy, Integration and Ne	(188)	(169)	(19)	(351)	(351)	0	
Head of Research & Intelligence	(109)	(173)	64	(350)	(350)	0	
Head of Policy & Public Affairs	(231)	(291)	60	(558)	(558)	0	
Commonwealth Games Legacy Fund	(2,325)	0	(2,325)	0	0	0	
Public Affairs	(67)	(83)	16	(169)	(169)	0	
<b>Total Expenditure</b>	<b>(2,915)</b>	<b>(806)</b>	<b>(2,109)</b>	<b>(1,608)</b>	<b>(1,608)</b>	<b>0</b>	
<b>Levelling Up Net Total</b>	<b>(511)</b>	<b>(776)</b>	<b>265</b>	<b>(1,548)</b>	<b>(1,548)</b>	<b>0</b>	

	SEPTEMBER 2023 YEAR TO DATE			FULL YEAR 2023/24			Commentary
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Inclusive Communities</b>							
Homelessness	228	235	(7)	470	470	0	
<b>Total Income</b>	<b>228</b>	<b>235</b>	<b>(7)</b>	<b>470</b>	<b>470</b>	<b>0</b>	
Head of Systems Change & Inclusion	(130)	(173)	43	(371)	(371)	0	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
Youth Combined Authority	(90)	(127)	37	(278)	(278)	0	
Homelessness	(249)	(256)	7	(509)	(509)	0	
Inclusion	(79)	(100)	21	(260)	(260)	0	
<b>Total Expenditure</b>	<b>(548)</b>	<b>(656)</b>	<b>108</b>	<b>(1,418)</b>	<b>(1,418)</b>	<b>0</b>	
<b>Inclusive Communities Net Total</b>	<b>(320)</b>	<b>(421)</b>	<b>101</b>	<b>(948)</b>	<b>(948)</b>	<b>0</b>	
<b>Culture and Digital</b>							
Culture	80	136	(56)	272	272	0	
Tourism, Trade and Investment Programme	1,057	407	650	407	407	0	
DCIA	34	0	34	0	0	0	
<b>Total Income</b>	<b>1,171</b>	<b>543</b>	<b>628</b>	<b>679</b>	<b>679</b>	<b>0</b>	The current under-spend against budget relates to vacant posts and the resultant re-profiling of external advice expenditure.
Culture	(118)	(219)	101	(446)	(446)	0	
Digital	(75)	(122)	47	(215)	(215)	0	
Tourism, Trade and Investment Programme	(1,057)	(407)	(650)	(407)	(407)	0	
DCIA	(34)	0	(34)	0	0	0	
<b>Total Expenditure</b>	<b>(1,284)</b>	<b>(748)</b>	<b>(536)</b>	<b>(1,068)</b>	<b>(1,068)</b>	<b>0</b>	
<b>Culture and Digital Net Total</b>	<b>(113)</b>	<b>(205)</b>	<b>92</b>	<b>(389)</b>	<b>(389)</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2</b>							
Environment	179	145	34	336	336	0	Expenditure to date is slightly ahead of budget but this is a timing difference only as expected to be in line with budget by the end of the year.
Community Green	241	219	22	353	353	0	
<b>Total Income</b>	<b>420</b>	<b>364</b>	<b>56</b>	<b>689</b>	<b>689</b>	<b>0</b>	
Environment	(513)	(483)	(30)	(1,201)	(1,201)	0	
Community Green	(241)	(219)	(22)	(353)	(353)	0	
<b>Total Expenditure</b>	<b>(754)</b>	<b>(702)</b>	<b>(52)</b>	<b>(1,554)</b>	<b>(1,554)</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(334)</b>	<b>(338)</b>	<b>4</b>	<b>(865)</b>	<b>(865)</b>	<b>0</b>	
<b>Energy Capital</b>							
Energy Capital	206	151	55	284	284	0	The current underspend relates to the profiling of external advice spend. New grant income has been secured within Net Zero Neighbourhood.
Net Zero Neighbourhood	1,111	0	1,111	0	0	0	
<b>Total Income</b>	<b>1,317</b>	<b>151</b>	<b>1,166</b>	<b>284</b>	<b>284</b>	<b>0</b>	
Energy Capital	(310)	(285)	(25)	(670)	(670)	0	
Net Zero Neighbourhood	(1,130)	(30)	(1,100)	(60)	(60)	0	
<b>Total Expenditure</b>	<b>(1,440)</b>	<b>(315)</b>	<b>(1,125)</b>	<b>(730)</b>	<b>(730)</b>	<b>0</b>	
<b>Energy Capital Net Total</b>	<b>(123)</b>	<b>(164)</b>	<b>41</b>	<b>(446)</b>	<b>(446)</b>	<b>0</b>	
<b>Housing &amp; Regeneration</b>							
Director of Housing & Regeneration	969	919	50	1,837	1,837	0	The position is largely in line with budget.
<b>Total Income</b>	<b>969</b>	<b>919</b>	<b>50</b>	<b>1,837</b>	<b>1,837</b>	<b>0</b>	
Director of Housing & Regeneration	(969)	(919)	(50)	(1,837)	(1,837)	0	
<b>Total Expenditure</b>	<b>(969)</b>	<b>(919)</b>	<b>(50)</b>	<b>(1,837)</b>	<b>(1,837)</b>	<b>0</b>	
<b>Housing &amp; Regeneration Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Portfolio Net Total</b>	<b>1,362</b>	<b>(297)</b>	<b>1,659</b>	<b>73</b>	<b>0</b>	<b>73</b>	

Appendix 4

West Midlands Combined Authority Mayoral Budget – September 2023

	SEPTEMBER YEAR TO DATE			FULL YEAR 2023/24		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Other Grants	387	443	(56)	894	894	0
Other Income	3	0	3	52	52	0
<b>TOTAL INCOME</b>	<b>389</b>	<b>443</b>	<b>(53)</b>	<b>945</b>	<b>945</b>	<b>0</b>
Staff Costs	375	419	44	839	839	0
IT	0	0	0	0	0	0
Travel & Subsistence	6	17	11	43	43	0
Other	6	6	0	12	12	0
Mayoral Events	3	0	(3)	52	52	0
<b>TOTAL EXPENDITURE</b>	<b>390</b>	<b>443</b>	<b>53</b>	<b>946</b>	<b>946</b>	<b>0</b>
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Within the Mayoral Office there are savings against the Staffing budget to date which are offset by lower draw down of grant.

## Appendix 5

### WMCA Consolidated Capital Programme Year to Date Position

Note: Commentary only provided where Variance is +=£200k

#### WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Metro Birmingham Eastside Extension	19,845	36,340	16,495	47,313	65,007	17,694	The variance reflects funding pressures for Target Cost 2 (TC2) and changes in delivery scope. 2023/24 expenditure will be significantly reduced largely due to lands which will not be vested until later in the Programme alongside reduced construction and utilities works.
Metro Network Enhancements	4,460	9,605	5,145	20,947	27,066	6,119	There is an in year under-spend relating to the advance work package due delays to agreeing certain technical features and the completion of detailed design on the Wednesbury Depot project (£3m). There is also a prolonged procurement challenge on Metro Line 1 renewals project resulting in a £1.7m deferment into next financial year. A further £1.3m has been deferred to next financial year on the Traction Power Phase 2 project due to the updated phasing from the approved Target costs in May 2023.
Metro Edgbaston Extension	1,250	2,775	1,525	3,616	3,665	49	Current underspend as a result of revised delivery schedule.
Metro Wednesbury to Brierley Hill Extension	42,768	42,786	18	102,027	97,997	(4,031)	Variance largely due to construction works have progressed slightly quicker than anticipated.
Metro Wolverhampton City Centre Extension	4,115	7,870	3,755	7,932	7,932	(0)	Largely due to land purchase timing and non utilisation of the contingency fund.
Buy Before Boarding	197	1,738	1,541	5,309	5,210	(99)	TC2 approval was obtained later than originally anticipated and Ticket vending machine (TVM) payments are expected in Q3.
Metro Centenary Square Extension	51	617	566	666	617	(49)	The current underspend due to revised delivery schedule and is expected to be recovered over the year.
Metro - Other	1,530	1,738	208	3,600	4,073	474	The full year variance reflects the latest delivery programme in relation to Smart tram works.
<b>Total Metro Schemes</b>	<b>74,216</b>	<b>103,469</b>	<b>29,253</b>	<b>191,409</b>	<b>211,566</b>	<b>20,157</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Rail Station	5,974	8,077	2,102	12,189	12,189	0	The current under-spend is largely due to compensation events relating to University Station (£1.4m) where evidence has not been provided by the contractual partner. Also, planning approval fees (£0.1m) payable to Birmingham City Council are to be paid slightly later than originally expected.
Rail Package 1	4,898	8,016	3,118	20,841	20,807	(34)	In addition there are variations relating to the timing of construction costs (£0.3m) and Land Acquisition (£0.3m) in connection to Perry Barr Station which will take place later than originally expected. Work stopped in August due to the construction contractor going into administration. Its is now expected that a new contractor will take over and activity will commence during quarter 3.
Park and Ride	0	3	3	500	500	0	Minor variance.
Rail Package 2	15,737	19,821	4,084	34,863	34,810	(54)	Variance is due to underspend on physical construction works at each site due to various reasons including Badgers at Moseley, listed wall at Pineapple, water well at Kings Heath. A revised programme reflecting the current issues will be submitted to WMCA Board for approval.
Very Light Rail	0	75	75	600	600	0	Minor variance.
Rail Development	0	0	0	100	100	0	
Dudley Port Integrated Transport Hub	6	210	204	450	450	0	The current variance reflects the latest programme schedule.
Aldridge Station	20	729	709	1,341	2,015	673	The re-forecast reflects the timing of the Strategic Outline Business Case approval.
Rail - Other	2	138	136	359	359	0	Minor variance.
<b>Total Rail Schemes</b>	<b>26,638</b>	<b>37,068</b>	<b>10,431</b>	<b>71,243</b>	<b>71,829</b>	<b>586</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
National Productivity Investment Fund	903	931	29	1,170	1,170	(0)	Minor variance.
Clean Bus	905	1,085	180	6,226	6,226	0	
Cross City Bus	400	1,076	677	2,508	2,508	0	The timing of activity means that costs are expected to accelerate in the third quarter of the year.
East Birmingham to Solihull Corridor	68	202	134	499	499	0	Minor variance
BSIP Bus Priority Cross City Routes	596	1,443	847	2,538	3,110	572	Variance is largely due to BSIP Cross City priority (Package 5 Harborne to Castle Bromwich), design work contract process will complete by the 3rd quarter of the year.
Bus Station/Interchange	747	791	44	3,139	3,139	0	
Demand Responsive Bus	0	3	3	6	6	0	Minor variance.
BSIP Retrofit Programme	0	0	0	500	500	0	
<b>Total Bus Schemes</b>	<b>3,619</b>	<b>5,532</b>	<b>1,914</b>	<b>16,587</b>	<b>17,159</b>	<b>572</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Sprint Ph2 A45	2,819	3,429	610	8,340	8,202	(139)	
Sprint Ph2 A34	1,211	1,609	398	7,326	7,465	139	Variance largely due to timing, including slippage on design costs which are expected in Q3.
Sprint A45	715	971	256	1,420	1,420	0	
Sprint A34	1	(248)	(249)	304	304	0	
Hagley Road	83	306	223	2,420	2,420	0	Project has been reassigned from Midland Metro Alliance to SPRINT. A more informed position will be reflected in Q2 Forecast.
Hall Green to Interchange via Solihull	0	101	101	202	202	0	
Longbridge to Birmingham	0	0	0	57	57	0	Minor variance
<b>Total Sprint Schemes</b>	<b>4,829</b>	<b>6,167</b>	<b>1,339</b>	<b>20,070</b>	<b>20,070</b>	<b>0</b>	



## WMCA Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
Air Quality	0	0	0	990	990	0	Minor variance
Better Streets Community Fund	91	0	(91)	141	141	0	
Priority One Development	204	68	(136)	690	690	0	Variances reflects the latest expected contract award date costs and roll out of TVM (Ticket Vending Machine)
Swift ceMV Contactless Payment Broker	536	1,045	509	1,496	4,082	2,586	
Electric Vehicles	142	267	126	5,614	5,614	0	Minor variance
<b>Total Sustainable Travel</b>	<b>972</b>	<b>1,380</b>	<b>408</b>	<b>8,931</b>	<b>11,517</b>	<b>2,586</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
KRN/MRN	21	250	229	607	607	0	Underspend due to revised delivery schedule.
Highways - Other	467	582	114	1,891	1,891	0	Minor variance
<b>Total Highways</b>	<b>488</b>	<b>832</b>	<b>343</b>	<b>2,498</b>	<b>2,498</b>	<b>0</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
RTCC	1,498	2,862	1,364	3,856	3,856	0	The variance comprises Moving traffic contravention project which are now expected to complete in Q3, and Phase 2 signals upgrade lower than anticipated.
FMZ	1,381	2,685	1,304	5,600	5,600	(0)	
RTI	19	91	72	584	584	0	Variance is due to the timing of the Mobility as a Service (MaaS) app development
Scheme Development and M and E	295	604	309	1,688	1,688	0	
Digital and Data - Other	223	337	115	337	337	0	Minor variance
<b>Total Digital &amp; Data</b>	<b>3,416</b>	<b>6,580</b>	<b>3,164</b>	<b>12,065</b>	<b>12,065</b>	<b>0</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Asset Management	606	795	189	2,188	2,188	0	Minor variance
Transport - Other	0	0	0	49	49	0	
<b>Total Other</b>	<b>606</b>	<b>795</b>	<b>189</b>	<b>2,237</b>	<b>2,237</b>	<b>0</b>	
<b>Total Transport Capital Programme</b>	<b>114,783</b>	<b>161,824</b>	<b>47,041</b>	<b>325,040</b>	<b>348,941</b>	<b>23,901</b>	
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Brownfield Land Fund	1,823	10,732	8,908	31,221	31,472	252	This variance is driven by a number of projects including Stratford Gateway where Stratford Council are still working on their master plan and Crown Project where applicant has not yet acquired the site, hence impacting on WMCA activity and spend.
Housing Land Fund	1,037	1,870	833	5,104	5,719	614	
National Competitive Fund	146	1,078	932	2,685	2,568	(117)	The variance is largely due a transfer of project support costs between LF Pipeline and BHF Pipeline and NCF Pipeline.
Land Remediation Fund	7,835	17,112	9,277	27,023	27,689	666	
<b>Total Housing &amp; Regeneration Schemes</b>	<b>10,841</b>	<b>30,791</b>	<b>19,950</b>	<b>66,033</b>	<b>67,448</b>	<b>1,414</b>	In the main the variance reflects the latest delivery programme relating to the Phoenix 10 scheme within the Black Country Land and Property Investment Fund.
£000's	YTD			Full Year			Commentary
Actual	Budget	Variance	Forecast	Budget	Variance		
Social Housing	4,568	4,568	0	4,568	4,568	0	Variances mainly due to private residents dropping out of the programme and there has also been difficulty with the supply chain on external wall installation due to timescales and national demand.
Sustainable Warmth	346	1,621	1,275	1,621	1,621	0	
Net Zero - Other	0	0	0	158	158	0	
<b>Total Net Zero Schemes</b>	<b>4,914</b>	<b>6,189</b>	<b>1,275</b>	<b>6,347</b>	<b>6,347</b>	<b>0</b>	
<b>Total WMCA Delivered Schemes</b>	<b>130,538</b>	<b>198,804</b>	<b>68,266</b>	<b>397,420</b>	<b>422,735</b>	<b>25,315</b>	

## Externally Delivered Schemes

£000's	YTD			Full Year			Commentary
	Actual	Budget	Variance	Forecast	Budget	Variance	
<b>Rail - External</b>							
Very Light Rail - External	1,871	1,953	81	9,966	6,329	(3,637)	This project is retained by DfT, who in Summer 2023 confirmed the release of further funding to be immediately available to the project, thus the annual forecast to budget variance is not indicative of cost over runs. This has allowed an acceleration of forecast works and expenditure.
Solihull Rail Station	0	0	0	250	750	500	
West Coast Mainline	0	0	0	0	0	0	
<b>Total Rail</b>	<b>1,871</b>	<b>1,953</b>	<b>81</b>	<b>10,216</b>	<b>7,079</b>	<b>-3,137</b>	
<b>Bus - External</b>							
East Birmingham to Solihull Corridor - External	139	0	(139)	1,000	1,000	0	Minor Vaiance
UKC - Solihull - Dorridge Bus Priority	0	0	0	0	500	500	Funding for Dorridge Bus Priority is yet to be formally approved due to CRSTS re-baselining exercise. Therefore, capital expenditure is now expected to be incurred from FY24/25 onwards.
<b>Total Bus</b>	<b>139</b>	<b>0</b>	<b>-139</b>	<b>1,000</b>	<b>1,500</b>	<b>500</b>	
<b>Grants to Local Authorities - Transport</b>							
City Centre Regeneration	6,244	12,187	5,942	44,866	51,688	6,822	Variance primarily due to Coventry City Centre South Regeneration reflecting the latest delivery schedule in regard to the acquisition of land necessary for assembly of the project and completion of demolition works.
Cycling and Walking	1,303	2,363	1,060	12,241	12,241	(0)	
Highways	3,279	3,922	644	6,377	6,377	0	
Highways Maintenance	11,805	11,805	0	23,611	23,611	0	
Local Network Improvement Plan	8,018	8,018	0	16,035	16,035	0	
Very Light Rail - External Grants	0	0	0	0	0	0	
Grants to Local Authorities - Other	1,813	1,564	(250)	4,229	5,150	921	
HS2 Enabling	1,306	1,308	3	3,063	4,464	1,401	
<b>Grants to Local Authorities - Transport</b>	<b>33,768</b>	<b>41,166</b>	<b>7,399</b>	<b>110,423</b>	<b>119,566</b>	<b>9,143</b>	
<b>Sustainable Travel - External</b>							
Electric Vehicles - External	58	114	56	3,389	3,389	0	Forecast variance - CRSTS Wolverhampton CC Walk, Cycle and Bus Package £4.0m deferred to next financial year. CRSTS - CRNaC - Foleshill Transport Package £2.8m reduction in forecast due to development phase deferred next financial year.
Sutton Coldfield Gateway	0	0	0	1,000	1,000	0	
Active Travel - A45 Segregated Cycleway	0	0	0	700	700	0	
A38 Selly Oak to Longbridge Segregated Cycling	100	100	0	700	700	0	
City Centre Active Travel Connections to Interchange	0	0	0	410	410	0	
One Station and Smalbrook Queensway	100	100	0	1,000	1,000	0	
Shoebury Hill Growth Strategy	0	150	150	750	750	0	
Foleshill Transport Package	150	112	(38)	1,332	4,038	2,706	
Coventry South Sustainable Transport	325	708	383	3,368	4,356	988	
Wednesbury Town Centre Interchange Sustainable Connectivity Package	0	0	0	0	0	0	
Stourbridge Town Centre Sustainable Connectivity Package	0	0	0	0	0	0	
Wednesbury to Brierley Hill Extension Sustainable Access Measures	0	0	0	0	0	0	
A461 Walk, Cycle and Bus Corridor	67	67	(0)	200	200	0	
Smethwick - Birmingham Inclusive Growth Corridor Transport Package	65	0	(65)	350	1,000	650	
Chester Road Corridor - Segregated Cycleway and Capacity Enhancement	0	0	0	200	200	0	
Dickens Heath to Solihull Town Centre LCWIP Scheme	0	0	0	300	1,100	800	
Knowle to Solihull Town Centre LCWIP Scheme	0	0	0	300	1,000	700	
Multi-modal Access to HS2 Enhancement	0	0	0	0	250	250	
Bus, Cycle and Walk Access - Darlaston and Willenhall Train Stations	0	0	0	200	200	0	
A454 Walk, Cycle and Bus Corridor	63	0	(63)	2,050	2,600	550	
A41 Moxley Iron Park to Walsall Town Centre Walk, Cycle and Bus Corridor	30	0	(30)	300	300	0	
Bus, Cycle and Walk Access - Walsall Town Centre Interchange	0	0	0	0	0	0	
Black Country Walking and Cycling Package	0	0	0	2,000	2,000	0	
A4123 Walk, Cycle and Bus Corridor	198	0	(198)	800	800	0	
A449 Walk, Cycle and Bus Corridor	117	0	(117)	1,397	1,635	238	
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	0	0	0	0	4,000	4,000	
<b>Sustainable Travel - External Sub-Total</b>	<b>1,273</b>	<b>1,351</b>	<b>79</b>	<b>20,746</b>	<b>31,629</b>	<b>10,882</b>	
<b>Total Transport Schemes</b>	<b>37,050</b>	<b>44,470</b>	<b>7,420</b>	<b>142,386</b>	<b>159,775</b>	<b>17,389</b>	
<b>£000's</b>							
UKSPF Communities & Place	(1)	2,549	2,550	8,972	8,972	0	Substantive spend will be in latter part the financial year. Delay in part due to late grant notification. Variance reflects a revised delivery programme partly due to the discovery of a mine shaft on site and the need for further planning and design.
CoW Technical Centre	981	1,711	730	5,575	6,198	623	
<b>Total Economic Delivery, Skills &amp; Communities Schemes</b>	<b>980</b>	<b>4,260</b>	<b>3,280</b>	<b>14,547</b>	<b>15,169</b>	<b>623</b>	
<b>Total Externally Delivered Schemes</b>	<b>38,031</b>	<b>48,731</b>	<b>10,700</b>	<b>156,932</b>	<b>174,944</b>	<b>18,012</b>	
<b>Total Capital Programme</b>	<b>168,569</b>	<b>247,535</b>	<b>78,966</b>	<b>554,353</b>	<b>597,680</b>	<b>43,327</b>	

## Appendix 6

### Compliance with Treasury and Prudential Limits

It is a statutory duty for the Authority to determine and keep under review its affordable borrowing limits. During the *quarter ended 30<sup>th</sup> September 2023*, the Authority has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and Capital Strategy for 2023/24. The Finance Director reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

#### Treasury Management Indicators as at September 2023 (Quarter 2)

£M	Treasury Management Strategy Indicator 2023/24	As at 30.09.2023
Authorised Limit for External Debt <sup>1</sup>	1,032	1,032
Operational Boundary for External Debt <sup>2</sup>	982	982

£M	Budget 2023/24	As at 30.09.2023
Forecast Gross External Debt as at 31.03.2024	598	598
Forecast Investments as at 31.03.2024	375	628
<b>Net Borrowing (Gross External Debt LESS Forecast Investments)<sup>3</sup></b>	<b>223</b>	<b>(30)</b>

<sup>1</sup> The **Authorised Limit** is a statutory limit determined under Section 3(1) of the Local Government Act 2003 for English and Welsh authorities. The Authority has no legal power to borrow in excess of the limits set. Revision of this Indicator would need to be approved by a full Board meeting in advance of any external debt taken on in excess of the limit then in force. The Authorised Limit reflects a level of external debt that, whilst not desired, could be afforded by the Authority in the short-term, but which is not sustainable in the longer-term. The Indicators for the Operational Boundary and Gross debt and the CFR will both be set below the level of the Authorised Limit.

<sup>2</sup> The **Operational Boundary** is the limit beyond which external debt is not normally expected to exceed. Unlike the Authorised Limit, the Operational Boundary is not an absolute limit, but it reflects the Authority's expectations of the level at which external debt would not ordinarily be expected to exceed.

<sup>3</sup> **Net Borrowing** – gross external debt less investment balances – is forecast to fall during the year as investment levels have risen as a consequence of capital expenditure slippage from 2022/23.

**Maturity Structure of Borrowing:** The Authority is required to set gross limits on maturities for the periods shown and covers both fixed and variable rate borrowings. The reason being to try and control the Authority's exposure to large sums falling due for refinancing.

	Upper Limit	Lower limit	Actual
Under 12 months	75%	0%	8%
12 months and within 24 months	50%	0%	2%
24 months and within 5 years	70%	0%	8%
5 years and within 10 years	70%	0%	23%
10 years and above	70%	0%	59%

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control WMCA's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end are:

£M	2023/24	2024/25	2025/26
Limit on principal invested longer than a year	25	25	25
Actual	5	5	5

Prudential Indicators

<b>£'000</b>	<b>2023/24 Budget</b>	<b>31.03.2023 Actual</b>	<b>As at 30.09.2023</b>
Capital Expenditure	593,915	347,014	168,569
Capital Financing Requirement (CFR)	840,258	624,191	673,674
Annual/(YTD) Change in CFR	216,017	63,621	49,483
In year borrowing requirement	100,000	65,000	100,000
Ratio of financing costs to net revenue stream <sup>4</sup>	-1.71%	1.22%	-5.20%

<sup>4</sup> The ratio shows the estimated annual revenue costs of borrowing, less net interest receivable on investments, as a proportion of annual income from constituent members - levy and fees - and central government (net revenue stream). WMCA has a negative budgeted ratio for 2023/24 as interest receivable on investments exceeds interest payable on loans and Minimum Revenue Provision (MRP.)

**Figures are subject to adjustments and sign-off from external auditors.**

Appendix 7

Total Regional Investment Programme Expenditure as at 31 August 2023

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2023 / 2024 FORECAST OUTTURN	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	274,802	8,453	430,721	713,976
SPRINT PROGRAMME	96,982	4,403	191,145	292,530
RAIL PROGRAMME	73,367	59,494	101,502	234,364
METRO PROGRAMME	603,798	161,554	1,134,441	1,899,792
UK CENTRAL INFRASTRUCTURE PACKAGE	220,076	16,461	1,073,629	1,310,167
UK CENTRAL HS2 INTERCHANGE	43,346	3,063	581,333	627,742
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>1,312,371</b>	<b>253,428</b>	<b>3,512,771</b>	<b>5,078,571</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	87,587	48,778	231,208	367,572
INNOVATION PROGRAMME	43,265	1,467	149,679	194,412
LAND RECLAMATION AND REMEDIATION	67,381	27,023	105,596	200,000
COMMONWEALTH GAMES 2022	78,348	-	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,312	-	18,687	20,000
BUSINESS AND TOURISM PROJECT - BATP	22,533	1,415	-	23,948
COVENTRY ELECTRIC BUS CITY	21,273	6,013	112,214	139,500
REGIONAL RECOVERY & RISKS	13,391	9,724	26,791	49,906
COLLECTIVE INVESTMENT FUND	123,482	33,755	842,763	1,000,000
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>458,572</b>	<b>128,175</b>	<b>1,486,939</b>	<b>2,073,686</b>
<b>GRAND TOTAL</b>	<b>1,770,943</b>	<b>381,603</b>	<b>4,999,710</b>	<b>7,152,257</b>

## Appendix 8

### WMCA Investment Programme Commitments as at September 2023

WMCA Investment Programme Commitment	Approved Commitments	Actual Spend To Date
Coventry UK Central Plus	94,805	94,336
Sprint Programme	47,034	41,762
Rail Programme	63,026	21,755
Metro Programme	227,030	101,754
UK Central Infrastructure Package	35,128	27,940
UK Central HS2 Interchange	57,539	42,328
<b>Subtotal - HS2 Growth Strategy</b>	<b>524,562</b>	<b>329,876</b>
Coventry City Centre South Regeneration	149,954	64,119
Innovation Programme	16,131	14,703
Land Reclamation and Remediation	103,040	69,245
Commonwealth Games 2022	25,000	25,000
Employment, Education & Skills	1,312	1,312
Business and Tourism Project - BATP	2,600	1,792
Coventry Electric Bus City	5,000	579
Regional Recovery & Risks	26,150	13,535
<b>Subtotal - Other IP Schemes</b>	<b>329,187</b>	<b>190,286</b>
<b>Grand Total</b>	<b>853,749</b>	<b>520,162</b>

## Appendix 9

### WMCA CRSTS Commitments as at 31st August 2023

CRSTS COMMITMENTS (£m)		Funding Approved	Subject to approval by SAF	Total Expected CRSTS Funding
WMCA Delivered Schemes	Bus	4.50	81.46	85.96
	Digital and Data	7.00	-	7.00
	LNIP Top Slice	27.33	-	27.33
	Metro	124.92	0.08	125.00
	Rail	1.50	43.41	44.90
	Sprint	82.50	25.00	107.50
	Sustainable Travel	11.51	34.09	45.60
<b>Total WMCA Delivered Schemes</b>		<b>259.25</b>	<b>184.04</b>	<b>443.29</b>
Externally Delivered Schemes	Bus	0.50	18.50	19.00
	Rail	36.28	40.22	76.50
	Sustainable Travel	8.12	302.52	310.64
	Transport	-	-	-
	Very Light Rail	-	-	-
<b>Total Externally Delivered Schemes</b>		<b>44.90</b>	<b>361.24</b>	<b>406.14</b>
Grants to LAs	Highways Maintenance	120.40	-	120.40
	Local Network Improvement Plan	80.18	-	80.18
<b>Total Grants to Local Authorities</b>		<b>200.58</b>	<b>-</b>	<b>200.58</b>
<b>CRSTS TOTAL</b>		<b>504.73</b>	<b>545.27</b>	<b>1,050.00</b>

## Appendix 10

### WMCA Administered Funds – September 2023

Funding Stream	Grant Awarded £'000	Spend to Date £'000	Purpose
Midlands Connect	35,867	31,004	Revenue funding. Midlands Connect researches, develops and progresses transport projects that will benefit the region, its people and its businesses. The overall ambition is to make the Midlands region fairer, greener and stronger for everyone who lives here. <i>Note funding is accumulative since 2017</i>
One Public Estate	1,903	1,007	Revenue funding. Agreed by WMCA Board that WMCA would assume accountable body status for this grant award, which is delivering various projects to secure more from public sector assets through collective action.
Active Travel Fund - Capital	39,075	8,173	Funding awarded to external local authorities for the delivery of an array of capital schemes to support the production of cycling and walking facilities throughout the region.
Active Travel Fund - Revenue	1,157	1,967	Revenue funding to support the above.
<b>Total</b>	<b>78,002</b>	<b>42,151</b>	



## Appendix 11

### WMCA Balance Sheet – September 2023

	30 September 2023 £'000	31 August 2023 £'000	Movement £'000
Property, plant and equipment	776,829	763,805	13,024
Intangible assets	1,209	1,304	(95)
Investments	66,431	60,484	5,947
Loan Receivables	15,891	16,239	(348)
<b>Long-term assets</b>	<b>860,360</b>	<b>841,833</b>	<b>18,528</b>
Short-term debtors	94,240	89,087	5,153
Short-term deposits	960,538	984,738	(24,200)
Cash and bank	1,240	445	795
<b>Current assets</b>	<b>1,056,018</b>	<b>1,074,270</b>	<b>(18,252)</b>
Loans - interest due	(3,255)	(4,191)	936
Short-term loans	(83,400)	(55,000)	(28,400)
Short-term creditors/accruals	(139,207)	(138,685)	(522)
<b>Current liabilities</b>	<b>(225,862)</b>	<b>(197,876)</b>	<b>(27,986)</b>
<b>Net current assets</b>	<b>830,156</b>	<b>876,394</b>	<b>(46,238)</b>
Provisions	(5,450)	(5,432)	(18)
Loans - PWLB	(487,846)	(489,694)	1,848
Other long-term loans	(110,000)	(110,000)	-
Dudley MBC	(3,670)	(3,670)	-
Grants receipts in advance	(531,261)	(545,528)	14,267
<b>Long-term liabilities</b>	<b>(1,138,227)</b>	<b>(1,154,324)</b>	<b>16,097</b>
<b>Net assets</b>	<b>552,289</b>	<b>563,902</b>	<b>(11,613)</b>
General fund balance	8,417	8,091	326
Earmarked reserves	377,992	387,783	(9,791)
Capital receipts reserve	3,994	3,994	-
<b>Usable reserves</b>	<b>390,403</b>	<b>399,868</b>	<b>(9,465)</b>
Revaluation reserve	5,933	5,933	-
Deferred capital grants account	833,515	820,587	12,928
Capital financing account	(673,741)	(658,665)	(15,076)
Financial Instruments Adjustment Account	(2,830)	(2,830)	-
Accumulated absences account	(990)	(990)	-
<b>Unusable reserves</b>	<b>161,886</b>	<b>164,034</b>	<b>(2,148)</b>
<b>Total reserves</b>	<b>552,289</b>	<b>563,902</b>	<b>(11,613)</b>

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	West Midlands Investment Zone and Levelling Up Zones Update
<b>Portfolio Lead</b>	Levelling Up / Devolution - Councillor Sharon Thompson
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Ed Cox, Executive Director for Strategy, Economy & Net Zero email: ed.cox@wmca.org.uk
<b>Report has been considered by</b>	Finance Directors Group; Policy Development, Integration & Place Group; Directors of Economic Development Group

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) The WMCA Board is recommended to approve the overall proposition for Business Rate Retention and Tax incentive sites to be included in the West Midlands Investment Zone and for those 'Growth Zone sites' that will be included for Business Rate Retention within Levelling Up Zones.
- (2) The WMCA Board is recommended to approve the establishment and responsibilities of a Joint Committee to govern the implementation of the West Midlands Investment Zone, its Terms of Reference and to unanimously approve that Warwickshire County Council, as a non-constituent authority, be given full voting rights on the Investment Zone Joint Committee.

- (3) The WMCA Board is recommended to note the work in progress regarding the finance and funding plan that will underpin delivery of the IZ and LUZ sites and comment on the key actions and principles to guide its further development.

## **1. Purpose**

- 1.1 To update the WMCA Board on the development of Investment Zone and Levelling Up Zone work; to approve the distribution of Investment Zone and Levelling Up Zone sites; to approve Investment Zone governance proposals; and to endorse the direction of travel and further work on the detailed funding and financing plan that will underpin delivery.

## **2. Background**

- 2.1 In July 2023 the WMCA Board approved an emerging proposition as the basis for negotiations with Government on both the Investment Zone (IZ) and Levelling Up Zones (LUZ). The Board also agreed that the West Midlands should ensure that the Investment Zone and Levelling Up Zones were developed in parallel, to ensure maximum benefit for the region.
- 2.2 Since then, extensive development work that has taken place which has involved significant collaboration between the CA and Local Authority officer teams, through IZ and LUZ working groups, bilateral discussions and meetings of the Finance Director and Economic Development Director groups. Relevant Universities and investors have also been fully involved, with locally led groups leading the design of the IZ and LUZ propositions in each Local Authority area.
- 2.3 Government has welcomed the overall economic case and argument for both the Investment Zone and the focus on advanced manufacturing in its broad sector definition, and the wider development of Levelling Up Zones. Government has maintained the position that it will only agree a maximum of 3 Growth Zone sites for Business Rate Retention and 2 Investment Zones BRR sites. At the same time, Government has recognised that the economic geography of the region means that there is a strong case for genuine economic and transport corridors, with individual sites linked via road and rail.

## **3. Investment Zone**

- 3.1 As a national Government programme, the Investment Zone initiative must operate within the rules set out by the Government in the Investment Zone Prospectus<sup>1</sup>. This includes requirements in relation to the governance of the Investment Zone, the participation of the interested parties and the role of the WMCA as the accountable body. The whole of the WMCA area and Warwick District Council, has been identified as the Investment Zone. The inclusion of Warwick District Council is to enable the important Coventry-Warwick Gigapark site to be included as an Investment Zone tax incentive site and business rate retention (BRR) site. This will maximise benefits for the whole of the Investment Zone area.

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<sup>1</sup> [Investment\\_Zone\\_Policy\\_Prospectus.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1142422/Investment_Zone_Policy_Prospectus.pdf)

- 3.2 The national programme offers each Investment Zone £80m over 5 years either to be taken entirely as funding or split between up to £45m of a tax incentives package for investors (which includes Business Rates Relief, Employer NI reliefs et al) and £35m spending. The £80m envelope is allocated on a 60:40 capital:revenue ratio and may be spent more widely across the IZ area, with priority given to delivering the Investment Zone sites and programmes to support growth in the identified primary sector. For the West Midlands, this sector has been identified as advanced manufacturing, particularly around EV and battery development, and its intersection with green industries, digital and health-tech.
- 3.3 No more than 3 sites totalling 600 hectares may benefit from tax incentives. A further 2 areas may be selected as business rates retention sites where 100% of the growth in business rates above a baseline may be retained for 25 years. It is anticipated by government that these sites will be aligned with the tax incentive sites (if tax sites have been identified).
- 3.4 The IZ Policy requires that allocation of the initial retained business rate growth must be targeted towards bringing forward the Investment Zone sites and financing measures associated with that. After this, further surplus retained rates growth will then be allocated to projects across the Investment Zone area that support growth in the primary sector, with some flexibility granted by DLUHC over deployment of receipts prior to a national reset of Business Rates. As part of the governance arrangements DLUHC require the Authorities which are involved with the IZ BRR sites to sign a MOU accepting these principles.
- 3.5 Three sites have been identified as part of the WM Investment Zone:
- Coventry-Warwick Gigapark
  - Birmingham Innovation and Knowledge Quarter
  - Wolverhampton Green Innovation Corridor

Coventry-Warwick Gigapark and Birmingham Innovation and Knowledge Quarter have been identified as both business rate retention sites and tax incentive sites. It is expected that the IZ programme will come into effect from April 2024..

- 3.6 The Gigapark site is situated across the boundary of Coventry City Council with Warwick District Council, with part of the site therefore falling outside of the geographical area of the WMCA. To enable Gigapark to be included as a tax incentive site and business rate retention (BRR) site, the Investment Zone therefore covers the whole of the WMCA area and Warwick District Council. This will maximise benefits for the whole of the Investment Zone area.
- 3.7 Given that Warwick District Council is neither a constituent or non-constituent member of the WMCA, this requires a new governance arrangement. The governance proposals set out in Appendix 1 have been developed in conjunction with Warwick District Council and Warwickshire County Council.
- 3.8 The proposed arrangements are for a new Investment Zone Joint Committee to be established as part of both the WMCA Governance arrangements and those of Warwick District Council, with delegated authority from the WMCA Board and from Warwick District Council to make all decisions in relation to the Investment Zone up to a financial threshold to be set by WMCA Board as the Investment Zone's accountable body.

- 3.9 The new Investment Zone Joint Committee would be equivalent to WMCA's Investment Board in terms of the CA's governance structure, but with a remit for taking decisions solely in relation to Investment Zone matters. Decisions of the Joint Committee would be reported to the WMCA Board in the same way as the decisions of the Investment Board. Decisions would also be reported for information to the relevant Warwick District Council governance structures.
- 3.10 Proposed members of the Joint Committee will be asked to nominate representatives to the Committee as soon as possible to ensure its rapid establishment to enable decision-making on the final submissions to Government on the Investment Zone proposition.

#### **4. Levelling Up Zones**

- 4.1 Levelling Up Zones are a locally led initiative and as such the location, funding and design of each is for West Midlands partners to decide. As part of the Trailblazer Devolution Deal, Government agreed that the West Midlands could have up to 3 Business Rate Retention sites (Government calls these "Growth Zones") but there is scope for local and regional partners to align other sources of funding with retained business rates and associated financial mechanisms to successfully progress Levelling Up Zones.
- 4.2 Government has maintained its position that there can be no more than three Growth Zone sites and each should be around 200ha. They must have a single red line boundary and be associated with large scale economic opportunities. Local Authorities and the CA have worked closely together to model a wide range of options, identifying where local priorities can best be supported. This has involved LAs and the CA grouping sites together and testing them with Government and other local stakeholders.
- 4.3 The following 3 groups of sites have been identified for Growth Zone Business Rate Retention which make provision for Levelling Up Zones in five local authority areas.:
- Sandwell and Dudley Metro Corridor
  - Walsall Junction 10 sites
  - East Birmingham and North Solihull
- 4.4 We are currently working on the basis that the 25-year period for business rate growth retention for Growth Zone sites may begin in April 2025 with the baseline being set from April 2024. This is still subject to ongoing discussions with local authorities and Government.
- 4.5 A table identifying specific sites that are proposed for Investment Zone or Growth Zone benefits has been included as a private Appendix 3 attached to this Board report as it may contain commercially confidential or sensitive information.

#### **5. Financial Implications**

- 5.1 There are no immediate budgetary or financial implications as a result of the recommendations in this report being approved.



- 5.2 The Finance and Funding Paper attached as Appendix 2 documents the range of fiscal levers at WMCA' disposal in bringing forward the Levelling Up Zones. These include direct Government fiscal support and tax incentives, guarantees concerning the retention of incremental business rates for 25 years and single settlement funding (CRSTS2 / regeneration funds etc.) and flexibilities.
- 5.3 The individual financial characteristics of each Investment Zone and LUZ Growth Zone have been consolidated into an initial financial model to assess the viability of each site at a headline level. It should be noted that work to assure and 'sign off' these values on a site-by-site basis remains ongoing between Local Authorities and in particular, West Midlands Finance Directors. The values in the Funding and Financing plan should therefore be treated as indicative at this stage.
- 5.4 A number of local and regional financial risks and opportunities are inherent within the Investment Zone LUZ Growth Zone proposals and work will be undertaken in the coming weeks to understand how best to mitigate / share risks and gain from those opportunities.
- 5.5 In particular, specific and material opportunities are expected with respect to Investment Zone business rates retention and decisions around how surpluses are used and distributed that will need the form the basis of an Investment Plan which will require approval by WMCA Board. Appendix 2 does include some broad principles around how the deployment of such sums will be managed.
- 5.6 Approval of the recommendation to establish a Joint Committee for the purposes of the Investment Zone will result in that Committee having an element of delegated decision making up to the value of £20m with decisions in excess of that value requiring full sign off at WMCA Board.
- 5.7 It will be for each LA and the CA to work up the overall funding for Levelling Up Zones (including but not limited to BRR) in the months ahead. Starting the BRR in 2025 will allow the time needed for this work and will ensure that LAs do not "miss out" on potential longer term growth in the harder to deliver sites by starting the period too early.

## **6. Legal Implications**

- 6.1 The proposed Investment Zone Joint Committee will be a formal decision making Committee of the WMCA and as such will be subject to the transparency requirement of Part VA of the Local Government Act 1972 (Access to Meetings).
- 6.2 The Joint Committee is constituted by both WMCA and Warwick District Council under section 102 of the Local Government Act 1972 with formal delegated powers from both Authorities. This will enable Warwick District Council to appoint a voting member to the Board.
- 6.3 Business rate billing authorities will be expected to sign a Memorandum of Understanding with WMCA to ensure the retained business rates secured through the implementation of the Investment Zone programme can be reallocated in accordance with national policy.

## **7. Equalities Implications**

- 7.1 All proposals will be expected to demonstrate that they support the WMCA's Equalities and Diversity objectives set out in the Equality Scheme - the proposal of this strategy directly support two of four of objectives in the ES. The Levelling Up, Growth and Investment zones in the strategic proposals are likely to have a direct positive impact on socio-economic outcomes e.g. reduction in unemployment, increase in training opportunities and an indirect positive impact on some protected characteristic groups such as disabled people and racialised (minority ethnic) communities who face disproportionate levels of unemployment and access to training opportunities when compared to non-disabled and White ethnic groups. To explore this fully, it is recommended that a 'Health and Equity Impact Assessment' is carried out, and the findings of that assessment added to this strategy where appropriate.

## **8. Inclusive Growth Implications**

- 8.1 The principles of the Inclusive Growth Framework will be incorporated into many of the considerations in bringing forward Investment Zone sites and Levelling Up Zones. As part of WMCA's overall accountability function, the Inclusive Growth Framework Fundamentals will provide a valuable mechanism for measuring and demonstrating wider benefit outcomes.

In particular, it is anticipated that Levelling Up Zones in particular will:

- build-in climate resilience through the appropriately planned development of interventions;
- ensure inclusive economic benefits are enshrined during proposal scoping and development;
- bring forward affordable and safe places through the targeted application of Affordable Homes and Retrofit funding;
- align transport and digital connectivity opportunities presented through comprehensive place plans;
- generate new skills growth through aligned Skills funding and potentially new capital infrastructure;
- secure better health outcomes through aligning several funding streams, for example more effective deployment of retrofit investment.

Some of these elements, particularly inclusive economic benefits, transport connectivity and skills growth, will also apply to the Investment Zone considerations of this paper.

## **9. Geographical Area of Report's Implications**

- 9.1 The geographical area of the report's implications is the whole of the WMCA area, plus for Investment Zone considerations, Warwick District Council, and insofar as WDC is within WCC, that part of Warwickshire County Council.

## **10. Other Implications**

- 10.1 There are no other implications.

## **11. Appendices**

- Appendix 1 WM Investment Zone Joint Committee – Terms of Reference
- Appendix 2 WM IZ/LUZ Funding and Finance Plan
- Appendix 3 Identification of sites under the IZ and Growth Zone programmes. (Confidential Item)

## **12. Schedule of Background Papers**

[Investment Zone Policy Prospectus.pdf \(publishing.service.gov.uk\)](#)

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# APPENDIX 1: WEST MIDLANDS INVESTMENT ZONE – GOVERNANCE PROPOSALS

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## 1. Introduction

- 1.1 WMCA is required by Government to act as the accountable body for the successful and compliant implementation of the WM Investment Zone. This includes the allocation of the initial IZ programme support funding (£80m) and future business rate surplus remitted as a result of the WM IZ development. Its governance arrangements in achieving this need to be inclusive and transparent as well as maintaining a direct relationship with the delivery mechanisms established for individual Investment Zone sites.
- 1.2 To achieve this, the Board is asked to approve the following approach which includes all local authorities with a responsibility for the Investment Zone and other partners with a specific interest (eg universities).
- 1.3 The proposal seeks to establish a ‘governance body’ which is chaired by the Mayor of the West Midlands and includes, as voting members, all 7 Constituent Authorities of the WMCA, Warwick District Council (‘WDC’) as the business rate billing authority for sites within the IZ, and Warwickshire County Council (‘WCC’) who are also closely affected by business rates arrangements for those sites. The Board is asked to approve the nomination of WCC to the ‘governance body’ as a voting member as a non-Constituent Authority. As WDC is currently neither a Constituent nor non-Constituent Authority of WMCA, arrangements for its membership are set out in Section 3.
- 1.4 Additional, non-voting members of the ‘governance body’ will include the universities with an interest in IZ delivery. Chairs of Overview and Scrutiny Committees may attend as observers.

## 2. Background

- 2.1 The background to the Investment Zone programme and policy is set out in Section 3 of the main Board paper to this Appendix. The purpose of this Appendix and recommendation to Board has arisen from the inclusion of areas outside the WMCA geography within the IZ and the need to ensure appropriate governance for decision-making to comply with expectations in the Government’s IZ policy. That is: providing full voting rights on decision-making for the business rate billing authorities and the remittance of business rates growth to WMCA to support IZ implementation and growth in the agreed primary economic sector.

### **3. Proposal**

- 3.1 The development of IZ governance must meet a number of timed gateways if Orders for relevant fiscal measures are to be laid before parliament in time for a final announcement of the WM IZ at the Spring Statement and launch of the scheme in April 2024. To meet the relevant deadlines, Government needs sufficient confidence that the appropriate governance arrangements and agreements are in place for the fiscal measures to be developed. As such, WMCA Board is being asked to approve the principles of the WM IZ governance structure, with clear and consistent ‘terms of reference’ but two potential options for how the ‘governance body’ would manifest itself.
- 3.2 At its Cabinet and Council meeting of 15<sup>th</sup> November 2023, Warwick District Council is expected to consider the nature of its involvement within the WM IZ and associated governance arrangements. As neither a Constituent Authority nor non-Constituent Authority, it is not possible for WMCA, who are the accountable body for the Investment Zone, to give WDC voting rights on a decision-making body.
- 3.3 For this reason, it is proposed to establish a Joint Committee between WMCA and WDC, with equal voting rights for all members. It is proposed that the WM IZ Joint Committee would be chaired by the Mayor of the West Midlands, with all WMCA Constituent Authorities entitled to nominate members with full voting rights. As a non-Constituent Authority of the WMCA, Warwickshire County Council would be granted full voting rights and Warwick District Council would have full voting rights. Universities that have signed up to Investment Zone sites will be non-voting members of the governance body.
- 3.5 The WM IZ Joint Committee would have delegated authority from the WMCA Board and from Warwick District Council to make all decisions in relation to the Investment Zone up to a financial threshold to be set by WMCA Board as the Investment Zone’s accountable body. The new body would be equivalent to WMCA’s Investment Board in terms of the CA’s governance structure, but with a remit for taking decisions solely in relation to Investment Zone matters. Its decisions would be reported to the WMCA Board in the same way as the decisions of the Investment Board. Decisions would also be reported for information to the relevant Warwick District Council governance.
- 3.6 Decisions that would be taken under the proposed governance structure include:
- i. To consider the application of the tax incentive portion of £80 million government grant and the application of the cash portion of £80 million government grant.
  - ii. To consider the allocation of surplus retained business rates revenue, as set out in its Terms of Reference.

- iii. To ensure accountability for the successful and compliant implementation of the Investment Zone overall.
  - iv. To take account of the opportunities from, and implications for, other funding measures and programmes available through the CA and/or its partners.
- 3.7 Existing WMCA boards and committees, such as the WM Innovation Board, would advise the WM IZ Joint Committee, which in turn would align its decisions with the area's overall economic strategic direction set by WMCA's Economic Growth Board. Warwick District Council would also need to ensure that its involvement aligns with its own strategies and policies.
- 3.8 Decisions of the WM IZ Joint Committee would be subject to review and scrutiny by WMCA's Overview and Scrutiny Committee, and Audit, Risk and Assurance Committee. Scrutiny chairs from WMCA and Warwick District Council will be invited to attend meetings as observers.
- 3.9 All decisions would need to be taken in the context of existing WMCA and regional strategies and spending decisions, and would need to comply with the regional Single Assurance Framework and any other relevant accountability and assurance frameworks in place during the term of the Investment Zone. The Joint Committee must not import any undue risk to the WMCA for financing schemes that result from those decisions.
- 3.10 The Joint Committee would be supported by an officer steering group made up of representative officers of the member authorities and universities most closely involved with the implementation of the WM IZ to inform decision-making.
- 3.11 Under the new Levelling Up and Regeneration Act, as from 26<sup>th</sup> December 2023 the process for local authorities to become non-constituent authorities of the WMCA will be simplified to a simple majority decision by the WMCA Board following receipt of a request from the local authority and the satisfactory completion of the resulting Governance Review. In this scenario, there would be no need for a Joint Committee and the WMCA Board could nominate WDC to be a full voting member of a 'WM Investment Zone Board' within its existing structures.
- 3.12 In such a scenario, the WM Investment Zone Board would have identical arrangements as those described above and set out in the Terms of Reference below.
- 3.13 It is likely that there will be a need to establish a Joint Committee initially but that this then becomes a WM Investment Zone Board should WDC choose – and WMCA agree - to non-constituent status.

3.14 Each Investment Zone site will need to have its own delivery body and/or governance structures to ensure timely delivery and accountable implementation. These will be locally determined and established by the relevant local authorities and will be expected to have representation from all the major stakeholders in that Investment Zone site, in particular universities, and landowners and developers. The local body will be responsible for the delivery of Investment Zone developments and related interventions, and for delivering the expected outcomes. WMCA as accountable body for the overall Investment Zone programme will expect to be represented on these delivery bodies. The site delivery bodies will be expected to report into the Investment Zone governance body on progress and any major risks to delivery. This relationship is shown in figure 1 below.

#### **4. Timing**

4.1 At the latest, the governance body should be in place for the commencement of the implementation phase of the IZ in April 2024 but may be established earlier to inform the final phases of the IZ development over early Spring 2024. As such, and subject to the WMCA Board and Warwick District Council approving this governance structure, the WM IZ Joint Committee would be established with immediate effect to enable the full involvement of all parties in decision-making on the development and design of the Investment Zone proposition. Nominations for members of the Joint Committee will be sought from all participating Authorities following this Meeting.

4.2 Should WDC become a non-Constituent Authority, at that point the Joint Committee would become a WM IZ Board of the WMCA structures, with all terms of reference remaining consistent. In conjunction with these considerations, WMCA will continue to work with Government colleagues around the appropriate timing for the formal establishment of the WM IZ governance body to ensure alignment with WMCA's accountable body responsibilities.



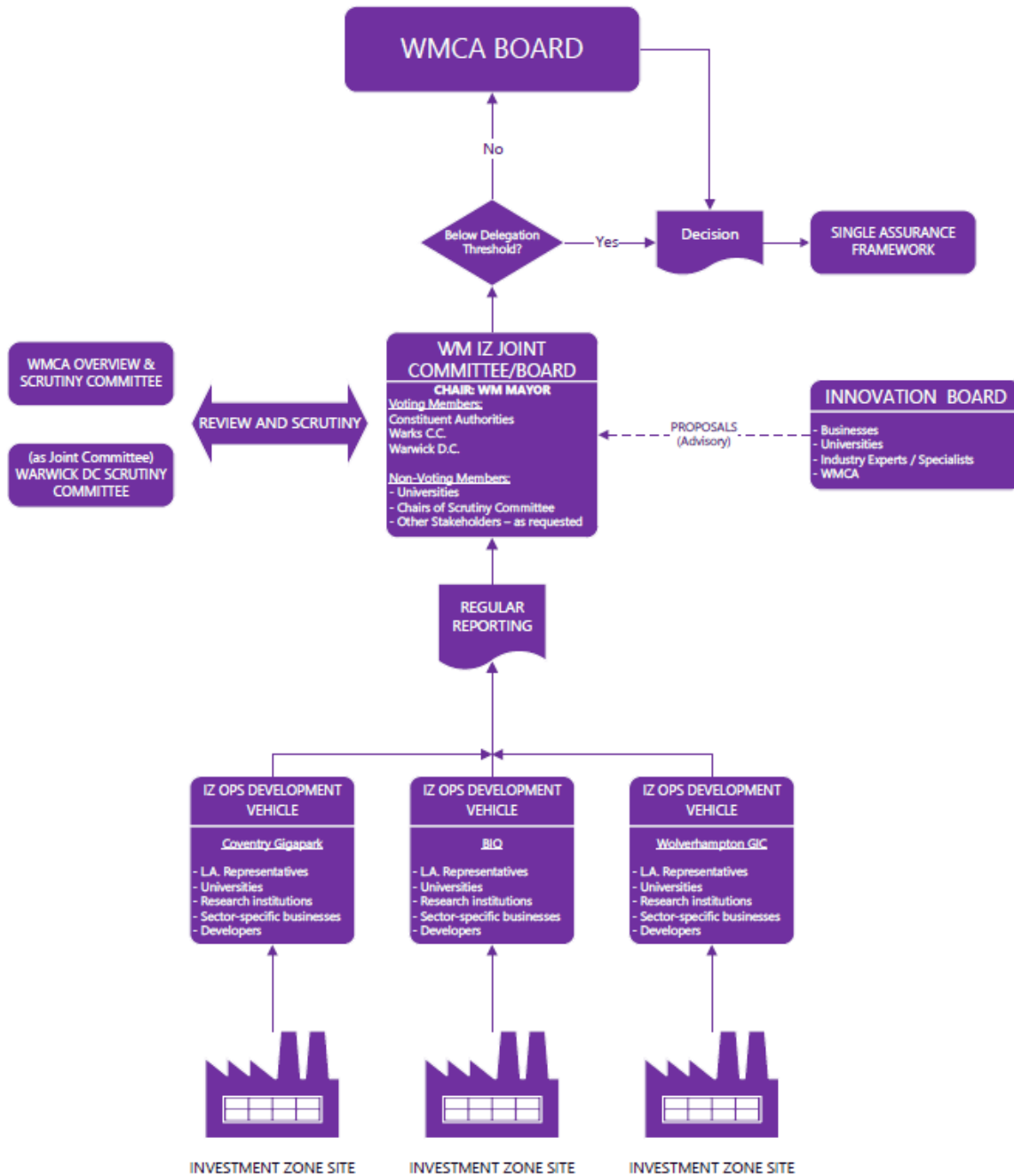


Figure 1: Governance structure illustrating relationships for new WM IZ governance body.

## Annex 1: Draft Terms of Reference

<b>Governance</b>	WM Investment Zone Joint Committee / WM Investment Zone Board
<b>Purpose</b>	Overall responsibility for developing and delivering the West Midlands Investment Zone and ensuring accountability to Government for its successful and compliant implementation.
<b>Membership</b>	<p><b>Voting Members:</b></p> <p>Mayor of the West Midlands</p> <p>One representative from each of the WMCA 7 Constituent Authorities</p> <p>One representative from Warwick District Council</p> <p>One representative from Warwickshire County Council</p> <p><b>Non-Voting Members:</b></p> <p>Universities that have signed up to the Investment Zone sites.</p> <p><b>Observers:</b></p> <p>Overview and Scrutiny Chair from the WMCA</p> <p>Scrutiny Chair from Warwick District Council (in the event of a Joint Committee)</p> <p>Other stakeholders may be invited to attend as observers when appropriate.</p>
<b>Chair</b>	Mayor of the West Midlands.
	Vice Chair - to be appointed from among Members.
<b>Voting</b>	<p>All voting Members shall have one vote.</p> <p>Matters shall be decided by consensus where possible. Where consensus is not achieved, decisions shall be taken on the basis of a simple majority of the votes cast.</p> <p>The Chair shall not have a second or casting vote and in the event of an equality of votes the motion shall not be passed but shall be deferred to the next meeting.</p>
<b>Quorum</b>	Three voting members of the Committee.
<b>Frequency</b>	Quarterly or more frequently as required on the giving of 5 clear working days' notice.
<b>Location</b>	Meetings will be held at locations agreed by its members.

<b>Timing of Meetings</b>	To be determined.
<b>Type of Meeting</b>	Formal meetings shall be held in public except when exempt or confidential information is being considered and the press and public are excluded in accordance with the Local Government Act 1972 (as amended).
<b>Administration</b>	The meeting will be administered by WMCA and papers will be published on both authorities' websites at least 5 clear working days before the date of the meeting.
<b>Allowances</b>	None
<b>Responsibilities</b>	<p>The body will be a collaborative entity with the respective authorities working together to implement the WM Investment Zone in line with Government's Investment Zone Policy Prospectus and Technical Guidance.</p> <p>Its functions will include:</p> <ul style="list-style-type: none"> <li>• Overall responsibility for developing and delivering the Investment Zone.</li> <li>• Approval in principle of Investment Zone sites development proposals and interventions.</li> <li>• Oversight of each Investment Zone Site delivery vehicle's performance in implementing the WM Investment Zone.</li> <li>• Ensuring delivery of the identified and agreed outcomes and outputs.</li> <li>• Allocation of Investment Zone resources in line with a developed and agreed Investment Plan.</li> <li>• Determination of the proportions between the tax incentives and spending elements of the £80 million IZ government grant.</li> <li>• Allocation of the tax incentives element of the £80 million grant and of the spending element of the £80 million grant.</li> <li>• Allocation of surplus retained business rates growth generated by the Investment Zone's BRR site, in line with Government's Investment Zone policy.</li> <li>• The allocation of retained business rates to be allocated by the WMCA through the established governance arrangements will be subject to a robust investment plan to be developed and approved by the IZ governance body. There will be a requirement within the investment plan that, over an agreed accounting cycle (not greater</li> </ul>

	<p>than 5-years), sufficient investment will be in projects in those authorities who would otherwise be benefitting from alternative business rate regimes, to ensure that they are no worse off than if they had not agreed to participate in the WM Investment Zone. This will also reflect agreement between WMCA and Government that up until the point of a reset of business rates baselines, Government will allow relaxation of spending requirements within the Investment Zone business rates retention site to allow those rates retained to be invested in local growth.</p> <ul style="list-style-type: none"> <li>• To ensure that the decisions of the Board do not import any undue risk to the WMCA in financing schemes that result from those decisions.</li> <li>• Approving reports to Government as part of the WMCA's accountability function.</li> </ul>
<b>Delegation</b>	<ol style="list-style-type: none"> <li>1) Decisions in relation to the allocation of the initial £80 million government grant up to a total value of £80 million and within Government's proportionate allocation framework between the fund's components.</li> <li>2) All other and subsequent decisions up to a value of £20 million. Decisions above £20million will be required to be taken by the WMCA Board as the accountable body for the Investment Zone.</li> </ol> <p>All decisions will need to follow the WMCA's existing assurance frameworks and any introduced through the Deeper Devolution Deal or any subsequent legislative frameworks.</p>
<b>Withdrawal from the Joint Committee</b>	<p>Either Authority may give to the other not less than twelve months' written notice expiring on 31<sup>st</sup> March in any year of its intention to withdraw from the Joint Committee.</p> <p>Once the Joint Committee ceases to exist, unless that is by way of transitioning into a full Board of WMCA as outlined in 3.13 above, the functions delegated to it will each revert back to the relevant delegating Authority.</p>

# **APPENDIX 2: WMCA LEVELLING UP ZONES AND INVESTMENT ZONE FUNDING AND FINANCING PLAN**

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## **Introduction**

1. This first draft of the funding and financing plan seeks to provide a position statement on the development of funding and finance matters related to Levelling Up Zones (LUZ) and the WM Investment Zone (IZ); documenting the various issues, options risks and opportunities available to the region in delivering these initiatives.
2. As detailed in the covering Board report, a considerable amount of work has been undertaken by local authority officers in conjunction with WMCA to develop proposals concerning the various fiscal and policy levers including LUZ and IZ business rates retention, tax incentives and other investment opportunities. Together with new flexibilities gained from the Single Settlement, these levers present an opportunity for the region to redefine how it channels investment through the development of place-based strategies to drive multi-year inclusive economic impact.
3. Further detail is set out in the covering Board paper, but the proposed LUZ and IZ sites, together with the proposed LUZ and IZ financial levers proposed for each, have been summarised into a table which, given potential commercial confidentiality or sensitivity, is contained within a private annex attached to this report.
4. This paper includes initial work concerning a) financial modelling regarding business rates retention on proposed sites; b) indicative allocations relating to the £80m IZ grant and tax incentive programme. There are a range of other fiscal levers that might be used in the development of particular places and corridors that will need to be brought into this analysis in order to maximise the economic impact and serve a level of fairness in the distribution of funding across the region. This will be brought forward in further iterations of this finance and funding plan. The purpose of this paper is to get reflections on the work to date, the broad principles and the direction of travel.

## **Investment Zone Flexible Funding**

5. Government has made £80m available for the Investment Zone. This funding must be spent in accordance with Government guidance and the interventions it funds must be signed off by Government. The funding is structured as follows: up to £50m for Tax Incentives with the remainder split 60/40 between capital and revenue. Our current IZ site proposals are likely to mean around £25m is used for tax incentives (Government has set very inflexible criteria on eligibility for tax incentives) with the rest split between capital and revenue. Capital funding is being identified to bring forward the IZ sites in Coventry-Warwick, Birmingham and Wolverhampton. The revenue element has to be spent on interventions that directly support the priority sector and is likely to include targeted programmes to strengthen skills, supply chain development and SME growth and inward investment. An element will also be needed to support local and regional delivery of the sites. This programme is being further developed between local authorities and the CA in negotiation with Government, for discussion and agreement through the Investment Zone Board.

## **Financial Modelling Outcomes**

6. WMCA officers have worked closely with Local Authorities officers, including Finance Directors, to develop a financial model which consolidates the financial characteristics of the LUZ and IZ sites and seeks to verify their viability at a headline level. The financial model covers:
  - Costs of delivery for critical site infrastructure.

- Indicative, incremental Business Rates revenues generated within sites, which can be retained for re-investment as appropriate.
  - The volume of debt each zone could afford based on the levels of revenues accruing as detailed above.
  - Specific assumptions around risk allowances, cost of finance and timing of payments and receipts.
  - Accounting considerations such as repayment of MRP and the timing of such payments.
7. The model provides a sense of scale with respect to the quantum of debt involved in bringing the sites forward, as well as the value of Business Rates which could accrue over the 25 year period; this being the timeframe for the Business Rates Retention mechanisms which Government have offered.
  8. In most cases, the maturity of the development appraisals and site design / development is relatively low. As such, significant variations in costs, income, phasing and other economic assumptions should be expected. Nevertheless, the financial model provides an indication about which sites are likely to be commercially viable on a stand-alone basis, and which sites are likely to require subsidy and / or other financial support.
  9. The broader range of fiscal options that should be considered available to WMCA in enabling delivery of Levelling Up Zones are referenced in Annex A and as the levels of subsidy / surplus on each site becomes clear, these wider funding options will be incorporated into the financial model to help assemble viable funding packages for each site. At this stage though, the financial model **does not** include assumptions around direct private sector funding / involvement, attribution of grants from sources such as WMCA regeneration funds, attribution of funding from the Investment Zone grant and tax incentive programme (£80m total).
  10. A summary of the financial model outputs is included in Annex B. The table below outlines the initial conclusions drawn from the financial model and proposes a number of actions / next steps / challenges to explore and to overcome:

Theme Emerging from Financial Modelling	Implications / Actions / Next Steps
<p>The Investment Zone Business Rates retention surplus is likely to be significant with a closing positive cash-flow of £549m overall.</p>	<p>In line with the Investment Zone criteria laid out by Government, the surpluses after sites are delivered, must be allocated to schemes that support the priority sector. This could include (for example) cross subsidy of sites such as the Wolverhampton Investment Zone site.</p> <p><b>ACTION:</b> A detailed plan for re-investment will need to be produced and agreed by all parties including each LA with an IZ site and Warwick District Council, which is the collection Authority for the majority of the Gigapark site.</p>
<p>BRR and non-BRR Investment Zone sites will require elements of £80m Government flexible funding and / or support from the Gigapark surpluses to enable delivery.</p>	<p>Work to determine the optimal share of Government grants (capital and revenue) and tax incentives (£80m total) across qualifying sites is ongoing which will assist with site viability.</p> <p><b>ACTION:</b> A proposal will be brought back through the relevant Governance structures in due course. Any remaining viability gaps will then need to be assessed and proposals developed between</p>

Theme Emerging from Financial Modelling	Implications / Actions / Next Steps
	WMCA and the sponsoring Local Authorities to enable sites to come forward.
The extent of the public sector borrowing required is significant in total (over £1bn) but also on a site-by-site basis for the larger sites (Gigapark / North Solihull / East Birmingham) requiring some Local Authorities to potentially take on considerable risk / exposure.	Where individual borrowing requirements are significant, the risk to those individual Authorities is likely to require mitigating in full or in part. Options including collective guarantees and / or similar arrangements are being considered as potential solutions and will need to be framed in the context of an equitable share of risk / reward for effected Authorities.  <b>ACTION:</b> WM Finance Director Group to consider this issue and develop potential options for how the collective borrowing needs may be best addressed.
There is a mixture of viable and non-viable LUZ Growth Zone sites when assessed on a pure Tax Incremental Financing (i.e. using long term Business Receipts to leverage borrowing up front) basis.	<b>ACTION:</b> Where there are viability challenges, other forms of investment (including Private Sector involvement) will need to be investigated on a site-by-site basis by the respective project teams, supported by WMCA.
There may be limited scope for pooling Growth Zone business rates surpluses at scale, but opportunities to assess the extent and effectiveness of any possibilities to be explored.	Initially, it is likely that BRR financing would be reinvested to ensure the viability of sites and subsequent business rate growth, but there may be opportunities for cross-subsidy using surplus BR receipts from viable sites within zones or (if there is appetite) across the whole WMCA area. These options should be assessed.  <b>ACTION:</b> The possibility of pooling / cross-subsidy to give all sites the best possible chance of delivery (within the context of a broader risk vs reward discussion), should be further explored by WMFDs.
All sites including viable sites have financial issues to over-come including cash and P&L (MRP) deficits in the initial years which need to be resolved if the sites are to be delivered.	<b>ACTION:</b> Options need to be considered by project sponsors and supported by WMCA on a site-by-site basis including the involvement of Private Sector finance to front-load the development appraisal to reduce the impact on the public sector in lieu of receipts from Business Rates being realised.
There will be significant risks that will arise as sites are taken forward and there will be a need to ensure appropriate operational controls are in place to limit undue financial exposure.	Precise operating arrangements to protect Authorities from undue financial exposure will be developed as the site development / delivery arrangements mature.  <b>ACTION:</b> Ensure that the financial model incorporates adequate risk provision and makes allowances for prudent management of future receipts including non-collection, rates listing timing etc.

### **Development Principles**

- As detailed above, whilst significant work has been undertaken to develop proposals to this point, there remains a significant amount of work for Local Authorities and WMCA to undertake if the region is to exploit the opportunities available to it to the fullest extent.

12. In order to effectively shape the direction this work takes, WMCA Board are requested to support or provide comment on the following principles:
- a) In order to ensure the overall fairness and economic impact of IZ and LUZ policy initiatives, we should continue to work on packages of measures which unlock the full range of financial levers that best fit local authority priorities, including other sources of public and private investment.
  - b) As regards business rates retention on nominated IZ and LUZ sites:
    - i. Plans will be made over agreed accounting cycles (e.g. 5-year period) and agreed through the relevant governance structures.
    - ii. We will seek to ensure, where appropriate and reasonable, that local authorities are no worse off than they would have been under current business rates regimes; note under the IZ programme, Government has agreed that there can be a relaxation over the reallocation of retained rates to 'local growth' projects.
    - iii. BRR related financing will prioritise the viability and deliverability of relevant sites and related infrastructure.
    - iv. Any surplus BRR related financing should be considered for pooling / cross-subsidy to give all sites the best possible chance of delivery within the context of a broader risk vs reward discussion.
  - c) Opportunities to deploy the regions collective financial leverage in a strategic manner (such as aggregating / pooling Business Rates, use of the region's collective Balance Sheet strength) will be fully explored.
  - d) Where parties are required to take on board a degree of local risk to deliver a regional benefit, there should be agreement on what a suitable level of reward, in exchange, should be.
  - e) Where the viability of a site is improved through the receipt of a subsidy or a grant, the incremental gains should be shared where appropriate (e.g. in the form of a repayable brownfield grant).
  - f) Whilst it may not be possible to fully satisfy every individual stakeholder need and requirement in delivering Levelling Up Zones, the sites will be developed in an environment of trust, transparency and fairness across all parties.



## ANNEX A : IZ, LUZ and wider Funding Options

Funding Type	Details
<b>Investment Zone Specific Funding</b>	<p><b>£80m of flexible spend</b> for Investment Zone between 2024/5 and 2028/9, with a smaller amount in the first year and then a relatively flat spending profile and a 60:40 split between capital and revenue. The total of £80m includes the value of tax incentives, so the actual amount of flexible spend available is £80m less the amount of tax incentives drawn down. Flexible spend needs to be used on development of Advanced Manufacturing sector, but is not geographically bounded. It should likely need to be used in one of five intervention areas: research &amp; innovation, skills, local infrastructure, local business and enterprise support, and planning &amp; development.</p> <p><b>Up to 3 Investment Zone tax incentive sites</b>, of up to 200ha each. The value of tax incentives and reliefs drawn down will be deducted from the £80m of flexible spend available. Sites need to be currently ‘underdeveloped’ to ensure tax incentives aren’t being distributed as deadweight spending on already functional employment sites.</p> <p>Note: The £80m Broadly breaks out as follows:            £25m Tax incentives (Note: First 5 Years Only)            £33m Revenue            £22m Capital</p> <p><b>Up to 2 Investment Zone BRR sites (for 25 years from April 2024. Income disregarded for re-set purposes), up to a total 600ha.</b> Rates retained from IZ-BRR sites need to be used towards development of Advanced Manufacturing sites, across the five intervention areas outlined above, and are not geographically bound to the site / region from which they were realised.</p> <p>As a principle, the receipts are expected to be used to bring forward the site infrastructure with any surpluses being governed by an Investment Plan which will be presented to and endorsed by WMCA Board in due course.</p>
<b>Growth Zone Specific Funding</b>	<p><b>Designation of up to three specific growth zones within which 100% of business rates (above an agreed baseline) will be retained for 25 years.</b> The income is disregarded at the point of a reset. There are no requirements around ‘underdevelopment’ or area maximums. Growth Zones can cross Local Authority boundaries but must have a contiguous boundary. Receipts can be used entirely at the discretion of the billing Authority but options to consolidate / pool should be explored.</p>
<b>Other Funding</b>	<p><b>Private Sector</b> contributions need to be thoroughly explored by all Local Authorities. Previous experience of delivering Enterprise Zones in the region has shown that private sector funding (particularly when able to be deployed in the initial stages of delivery before Business Rates revenues crystallise) helps sponsors overcome significant delivery challenges.</p> <p>WMCA funds within the remit of the <b>Single Settlement capital</b> including Brownfield funds, the Single Regeneration Funds, £2.6bn CRSTS2 etc can be deployed within the Levelling Up Zones. These funds are intended to be directed through functional and place-based strategies to focus investment and maximise the potential for inclusive economic growth.</p> <p>Additional flexibility expected to be incorporated into the <b>Single Settlement</b> may present opportunities for <b>revenue initiatives</b> such as investment in Skills and Transport to be implemented to assist with the delivery / success of Levelling Up Zones.</p> <p><b>Other regional resources</b> including excess upside from the 100% Business Rates retention arrangements may be appropriate to consider for use in delivering the Levelling Up Zones.</p>

# ANNEX B : WMCA - LEVELLING UP ZONES FINANCIAL SUMMARY (DRAFT)

SITE DETAILS (£000)	Incremental Business Rates Over 25 Years	Estimated Public Sector Cost	Financial Appraisal based on forecast rates and costs - including inflation and risk adjustments				Financial Appraisal Summary	
			Total Investment	Closing Cash Position	Surplus / (Deficit) of Receipts vs MRP	Peak Borrowing Requirement	Affordable TIF investment	GAP Other public grant to be secured (£000)

## BUSINES RATES RETENTION SITES : INVESTMENT ZONE

WARWICK DC / COVENTRY	£1,052,697	£213,831	£256,597	£507,517	£521,750	-£234,799	£256,597	-
BIRMINGHAM	£673,074	£219,370	£263,243	£41,789	£121,797	-£148,602	£263,243	-
<b>INVESTMENT ZONE BRR TOTAL</b>	<b>£1,725,770</b>	<b>£433,200</b>	<b>£519,840</b>	<b>£549,305</b>	<b>£643,547</b>	<b>-£383,401</b>	<b>£519,840</b>	<b>-</b>

## BUSINES RATES RETENTION SITES : GROWTH ZONES

SOLIHULL	£996,103.2	£375,359.9	£450,431.8	£5,534.7	£174,681.8	-£362,066.4	£446,260.4	£4,171.5
BIRMINGHAM	£471,541.0	£212,027.1	£254,432.5	-£75,719.3	£45,490.0	-£152,410.5	£218,771.5	£35,661.0
DUDLEY	£64,027.7	£20,042.6	£24,051.2	£21,043.0	£18,457.6	-£21,788.8	£24,051.2	-
SANDWELL	£79,784.8	£58,825.0	£70,590.0	-£68,161.1	-£35,708.3	-£62,877.4	£39,766.5	£30,823.5
WALSALL	£113,132.1	£59,619.6	£71,243.5	-£60,412.6	-£16,842.3	-£68,178.2	£48,205.6	£23,037.8
<b>GROWTH ZONE BRR TOTAL</b>	<b>£1,724,589</b>	<b>£725,874</b>	<b>£870,749</b>	<b>-£177,715</b>	<b>£186,079</b>	<b>-£667,321</b>	<b>£777,055</b>	<b>£93,694</b>

## OTHER INVESTMENT ZONE SITES (NON BRR)

Wolverhampton GIC to benefit from Investment Zone flexible spend funding

**Note: Work to assure and 'sign off' these values on a site-by-site basis remains ongoing between Local Authorities and in particular, West Midlands Finance Directors. The values in the Funding and Financing plan should therefore be treated as indicative at this stage.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## WMCA Board

<b>Date</b>	17th November 2023
<b>Report title</b>	WMCA Air Quality Framework and Implementation Plan
<b>Portfolio Lead</b>	Cllr John Cotton Portfolio Holder for Environment, Energy and HS2
<b>Accountable Chief Executive</b>	Laura Shoaf Chief Executive, WMCA
<b>Accountable Employee</b>	Ed Cox Executive Director, Strategy, Economy and Net Zero  Jackie Homan Head of Environment, WMCA
<b>Report has been considered by</b>	Environment and Energy Board (July 2023 and Sept 2023)  Transport Delivery Overview and Scrutiny Committee: Air Quality, Congestion and Environmental Impact Members Engagement Group (Sept 2023)  Transport Delivery Overview and Scrutiny Committee (Oct 2023)  Overview and Scrutiny Committee (Nov 2023)

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Endorse the draft Air Quality Framework Implementation Plan.
- (2) Endorse the regional approach to tackling air quality, as summarised in this paper and the Air Quality Framework Implementation Plan, and outlined in detail in the Air Quality Framework.

- (3) Consider adopting, as part of development of the Regional Air Quality Framework, stretch targets which are more ambitious in terms of timescales and pollutant concentration targets than the UK Government air quality targets, and which are closer to World Health Organisation (WHO) targets for NO<sub>2</sub> and PM<sub>2.5</sub> (recommendation coming from TDOSC).

## 1. Purpose

To provide an overview of the Air Quality Framework, and its associated Implementation Plan for the next 2 years. The paper also highlights delivery priorities, including funding secured/ required to expedite projects/ programmes.

## 2. Background

- 2.1 An Air Quality Options Paper was taken to WMCA Board in February 2022 that outlined the challenges the region is facing in relation to air pollution. The options paper highlighted the inequality of exposure to poor air quality across the region and drew attention to the need to address pollution from particulate matter with more urgency. The options paper outlined 122 possible interventions that could be adopted to improve regional air quality, taken from the literature and work undertaken by Public Health England (now the UK Health Security Agency), but also recognised that a more detailed piece of work would be needed to develop these further, or to add any additional interventions. As a result, the Air Quality Framework has been produced (and will be available here from 13<sup>th</sup> November: <https://www.wmca.org.uk/what-we-do/environment-and-energy/air-quality/>). This document is not a strategy, but a review of all the measures possible to accelerate improvements to regional air quality. It is accompanied by an Air Quality Framework Implementation Plan (AQFIP), which is a shorter document prioritising the measures to be implemented/ commenced over the next 2 years. The AQFIP is attached to this Board paper as Appendix 1.

### Summary of the issues

- 2.2 There are a number of different air pollutants that affect the West Midlands and have implications for human and public health. The main ones are nitrogen dioxide (NO<sub>2</sub>) and particulate matter (especially PM<sub>2.5</sub>). Both of these have environmental, social and economic impacts for the region that have previously been set out in the Air Quality Options Paper.
- 2.3 Since the Air Quality Options Paper was produced, DEFRA has published the national air quality targets (following on from the Environment Act 2021) and the National Air Quality Strategy. The targets are as follows:
- NO<sub>2</sub> 40 µg m<sup>-3</sup> [this is a retained target]
  - PM<sub>2.5</sub> 20 µg m<sup>-3</sup> [new Environment Act: 10 µg m<sup>-3</sup> (by 2040)]

There have been questions about the level of ambition in these targets, which have predominantly been established to accommodate the challenges faced by London in reaching them. It would be feasible for the West Midlands to achieve these targets sooner and then reduce exposure even further. For context, the World Health Organisation Air Quality Guidelines (which are not legal limits) are as follows:

- NO<sub>2</sub> 10 µg m<sup>-3</sup>
- PM<sub>2.5</sub> 5 µg m<sup>-3</sup>

- 2.4 To put this in a West Midlands context:
- The highest annual average PM<sub>2.5</sub> concentrations in the West Midlands are modelled in central Birmingham, Coventry, Sandwell and Walsall.
  - DEFRA provides air pollution estimates of pollution concentrations at 1km resolution. When averaged to ward level, these data show annual average PM<sub>2.5</sub> levels in 72 of the 192 wards within the West Midlands exceed 10 µg m<sup>-3</sup>
  - 1.2m people or ca. 40% of the West Midlands' population live in wards exceeding PM targets of 10 µg m<sup>-3</sup>.
  - The least advantaged areas (highest IMD score) tend to have the worst air quality.
- 2.5 The constituent local authorities have been working to address this through measures identified in Air Quality Action Plans (as required by DEFRA) or, in the case of Solihull MBC, an Air Quality Strategy. The focus of these is largely the reduction of NO<sub>2</sub>, which is produced (and can be reduced) locally. PM<sub>2.5</sub> is different because it lives longer in the atmosphere and therefore spreads further geographically – this means that regional approaches may be more appropriate in addressing it.
- 2.6 In order to accelerate the improvement of air quality in the WMCA area, one of the actions proposed is to identify stretch targets, recommended by the Transport Delivery Overview and Scrutiny Committee, that are more ambitious in terms of timescales and pollutant concentration targets than the UK Government air quality targets, and which are closer to World Health Organisation (WHO) targets for NO<sub>2</sub> and PM<sub>2.5</sub>. This work would be done as part of the delivery of the Air Quality Framework Implementation Plan (see Section 2.23 below).

### **Scope of the Air Quality Framework**

- 2.7 Whilst all options for improving air quality have been considered by the Framework, the implementation opportunities have been narrowed down by the cost, time and likelihood of deployment. This is covered by the Methodology section below. The main consideration in determining if a measure is in or out of scope is the principle of subsidiarity, i.e. is it the case that there is (or could be) added value from adopting a regional approach to delivery?
- 2.8 In terms of defining 'regional' we mean where a measure could be better delivered by more than one authority acting alone. This has meant that anything that is clearly within local remit to deliver has been excluded, likewise anything that would need a national intervention has also been removed.
- 2.9 There are some 'grey areas' including communications and behaviour change initiatives, for example, which can be delivered by a local authority independently. However, from the work undertaken in developing the Framework, it has become clear that there are advantages in consistent messaging to business and the public and collaborating to deliver behaviour change programmes. There might also be instances where economies of scale make a difference for procurement, for example on the purchase of low-cost sensors.

### **Methodology**

- 2.10 In preparing the Air Quality Framework, all options outlined within the initial Air Quality Options Paper, and other key sources (such as from DEFRA), were considered at the

outset. These were supplemented with additional options identified at the initial consultation stage of the Framework development with Transport for West Midlands (TfWM), constituent local authorities and partners such as WM-Air (at the University of Birmingham). Any options which were clearly outside of the Framework scope, or were unlikely to be in the future, were excluded from the long list. All options which may be at all feasible or within the scope of the Framework were carried forward.

2.11 There is a total of 158 measures identified in this Framework that could be taken to tackle air pollution across the region; 145 were taken forward to full appraisal following an initial assessment with consultees. They have been grouped into the following categories (although there is synergy between many of these):

- Engagement and behaviour change
- Domestic emissions and indoor air quality
- Transport
- Natural and built environment
- Commercial, industrial and agriculture
- Public health
- Planning, policy, governance and mechanisms for change
- Monitoring and digital
- Climate/net zero considerations

2.12 Each of the measures identified within these thematic groups has been assessed against the following criteria:

- Health outcomes, including direct improvement to human health and reducing health inequalities
- Spatial impact, including whether a regional approach brings benefit
- Alignment with local and national policy
- Cost, implementation and timescales, assessing measures against feasibility, timescales and cost
- Co-benefits – do the measures have any additional environmental or economic benefit?

2.13 The tables produced in each of the sections of the Framework highlight the measures that deliver most effectively against the criteria identified. The entire list of measures is provided in summary tables in a technical appendix to the Framework. Each of these summary tables gives:

- Where a particular measure ranked in the overall theme, as well as the score it was given against all the criteria
- The outcome that we would look to achieve through its implementation
- The potential approach to implementing it
- Initial implementation costs and indicative timescales
- Any constraints

This has been taken into account in relation to the preparation of an Air Quality Framework Implementation Plan (see 2.16 – 2.22 below).

2.14 Extensive consultation has been involved in developing the Framework. Organisations consulted include: WMCA directorates; WMCA panels/groups (e.g. Strategic Transport Officers Group and WM Environmental Protection Group); TfWM; University of Birmingham/WM-Air team; constituent local authorities; non-constituent local authorities; external organisations (e.g. Asthma and Lung UK, Clean Air Justice Network, EarthSense, Friends of the Earth and Mums for Lungs); and the Greener Together Citizens' Panel. A consultation event took place on 17<sup>th</sup> August to review the



Framework, which has been updated in response to feedback received – 48 people from the organisations referenced above attended.

- 2.15 The measures identified in the Framework are comprehensive, and we do not expect them to become out of date in the short-term. However, we would expect to build in a review process every five years to ensure that they are still supporting regional ambition to reduce air pollution in total, and inequality of exposure overall. We would also want to make sure that the Framework is taking account of innovations in technology, as well as national policy.

### **Air Quality Framework Implementation Plan**

- 2.16 The Air Quality Framework provides us with an extensive list of measures that could be put in place to address poor air quality across the region. To make a start on delivery a focused list of Framework priorities has been developed into a two year Air Quality Framework Implementation Plan, which will be overseen by an Air Quality Framework Delivery Group (see 2.18 – 2.20 for more on proposed governance).

- 2.17 At the Framework consultation event on 17<sup>th</sup> August all the measures were made available for people and a simple prioritisation exercise was undertaken. This was then considered alongside input from colleagues in local authorities, TfWM and the Framework prioritisation to produce the Air Quality Framework Implementation Plan. It consists of 9 packages of work and 10 standalone measures. The delivery will start with a discrete number of these measures (Section 2.23 below).

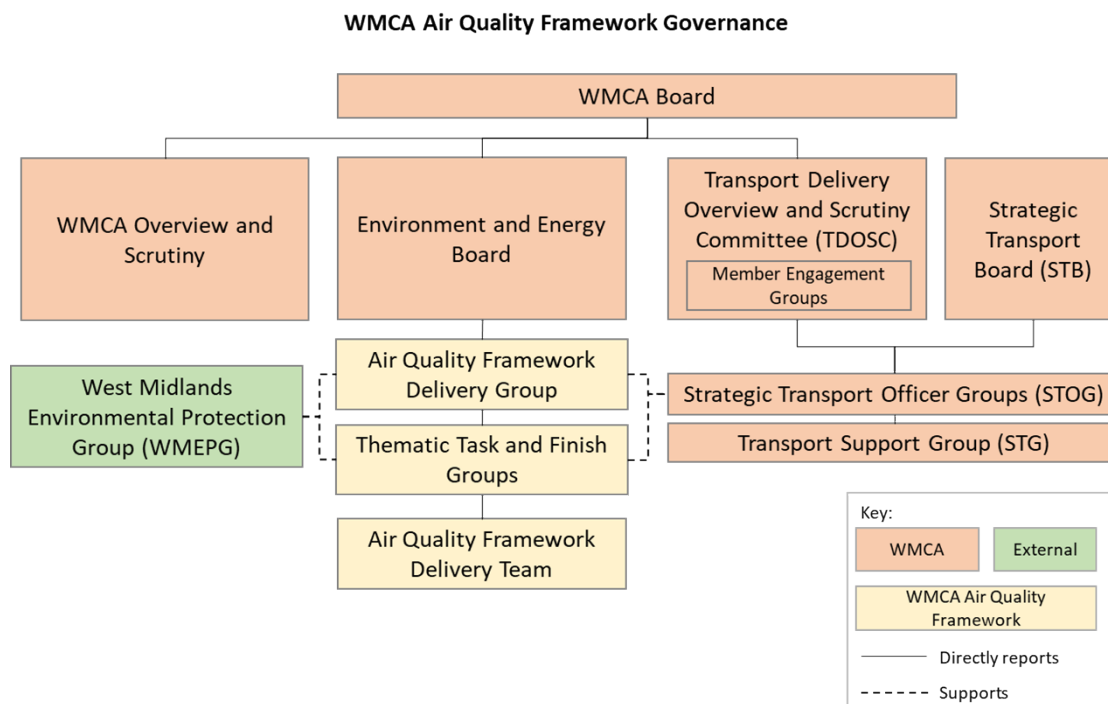
- 2.18 In addition to the measures themselves, the consultation also gave participants the opportunity to discuss potential governance for delivery. To ensure that the Framework is delivering for the whole WMCA area, we will establish an Air Quality Framework Delivery Group. This is something that has been flagged in conversations with constituent local authority partners as a helpful route to continue coordination. This will also facilitate engagement with air quality partners (as identified in the Environment Act, 2021) as well as bringing additional expertise on board to support different air quality issues that are common to all partners.

- 2.19 The Framework Delivery Group membership would comprise the 7 constituent local authorities, WMCA and TfWM as well as other relevant partners with a focus on public health, environment, research and innovation. Suggestions made through the consultation process include:

- Public health (Directors of Public Health as well as the UK Health Security Agency)
- Community group representation
- A member of the University of Birmingham's WM-Air Team
- Business representatives
- Birmingham International Airport
- National Highways
- National Express/ National Rail
- West Midlands Fire Service

We would envisage that some of these organisations would be involved in specific task and finish groups (outlined in 2.20 below) rather than as part of the ongoing group. A terms of reference will be established, following approval from the WMCA Board, with a proposal to meet quarterly.

2.20 The Framework Delivery Group will sit within existing governance in the following way:



2.21 In terms of the measures, and delivery, there is no proposition here to change roles and responsibilities for local authorities. We have assumed that this work will continue as previously, although there may be opportunities to bring economies of scale/ benefits from collaboration. In addition, we also assume that actions related to TfWM, and its governance and actions, will continue to be delivered through existing routes. It has become clear that the WMCA could add immediate value through behaviour change/ awareness raising and scaling up of monitoring capability and data collection.

2.22 Annual progress reports on the delivery of measures in the Air Quality Framework Implementation Plan will be brought to the WMCA Environment and Energy Board.

### Priority work programme for 2024 – 2026

2.23 A number of priority areas are included in the Implementation Plan, and the initial work would start on the following:

1. Installation of a regional low-cost sensor network with capability of measuring PM2.5.
2. A website to collate and publicise data from new and existing sensors.
3. Behaviour change and air quality literacy delivery, specifically looking to reduce PM2.5 and its impact.

**Priorities 1-3 are funded through a DEFRA air quality grant (see Section 2.24 below)**

4. Identify stretch targets for air quality (could the West Midlands have more ambitious targets than those set nationally and what would they be?).
5. Full air quality communications package, including a region-wide alert system for high levels of air pollution.
6. Regional school engagement and accreditation programme.

7. Regionwide planning and design guidance for air quality to ensure consistency across the WMCA area.
8. Business case for speed limit reduction on high-speed roads and for lowering speed limits in urban centres.

**Priorities 4-8 will need to be funded through the re-prioritisation of existing budgets.**

- 2.24 In parallel to producing the Air Quality Framework, the WMCA secured **funding from DEFRA** in March 2023 to support collaboration on behaviour change projects, as well as on monitoring and data transparency. This project will be delivering the following:
- Installation of 30 low-cost sensors where there is modelled to be high population exposure to PM<sub>2.5</sub>. These monitors will bring consistent data, currently lacking, across the WMCA.
  - Creation of a public facing regional air quality platform. The sensor data will feed into a centralised dashboard for the public to see near real time air quality data. The website will be a hub of educational and campaign resources, including toolkits on anti-idling campaigns, domestic combustion reduction campaigns and general awareness raising. We are also going to procure a solution that can accommodate existing sensors already deployed across the region.
  - Regional air quality awareness campaign. This project will begin by raising awareness and to start a regional conversation on air quality. There will be community engagement events (3 in each local authority) to provide information on why clean air is important.
  - Behaviour change campaigns in the local community. Design and implement a package of different types of projects to improve awareness of air quality in their communities and implement interventions to reduce exposure and pollution; this will use the outcomes from the awareness-raising activity.
  - Air quality literacy programme. We will use this project to develop training materials for politicians and organisations to understand the need for action.
  - Communications toolkit. A communications toolkit will be developed for all the local authorities across the region. It will include social media assets, communication materials and key messages that will be co-produced and shared with stakeholders to present a consistent message across the region.

- 2.25 In addition to this, we have taken air quality as an issue to the **Greener Together Citizens' Panel**. This provided us with a set of considerations that we should take into account when thinking about if, when and how we implement any of the measures from the Air Quality Framework/ Framework Implementation Plan. The Panel met as we were developing the Framework and we are planning to support a future session of the Panel to test the delivery of measures in the Framework Implementation Plan, particularly those that may be more challenging to instigate or that require trade-offs to be made. The report on their work on air quality can be found on the dedicated Greener Together Citizens' Panel pages here: <https://www.wmca.org.uk/what-we-do/environment-and-energy/west-midlands-greener-together/greener-together-citizens-panel/>

### **Resourcing delivery of the Air Quality Framework Implementation Plan**

- 2.26 The DEFRA Air Quality grant detailed above, will support the implementation of some priority measures, especially in relation to behaviour change and establishment of a low-cost sensor network, and availability of data to support decision-making across the region. The successful delivery of other measures will be dependent on resourcing and

business cases and subject to the WMCA Board approval, or appropriate delegated approval in line with WMCA Single Assurance Framework procedures.

2.27 The initial funding from DEFRA has enabled us to put in place an Air Quality Lead within WMCA. This role will work across all the constituent local authorities to support roll out of a low-cost sensor network and implementation of behaviour change programmes. Resourcing to support delivery of the AQFIP beyond this grant funding and associated measures is to be identified.

### 3. Strategic Aims and Objectives

The work on air quality links to a number of the strategic aims of the WMCA. These include:

- WMCA Business Plan Aim 4 (To reduce carbon emissions to net zero, enhance the environment and boost climate resilience), specifically objectives Objective 4.4 (we will pioneer and embed transport innovations and drive behaviour change to reduce emissions, improve air quality, and enable the creation of green jobs) and Objective 4.5 (we will work with partners to increase investment in nature and our surroundings). The Air Quality Framework is specifically referenced in Objective 4.5.
- The WMCA Natural Environment Plan and maximising the potential of biodiversity in enhancing air quality.
- The Local Transport Plan – improvements in air quality could be delivered across the six big moves, but are particularly drawn out in the ‘green transport revolution’ section.
- The State of the Region’s Health (air quality, and exposure to air pollutants) is seen as one of the wider determinants of health).
- The Inclusive Growth Framework, particularly in relation to improving health and well-being across the region.

### 4. Financial Implications

A number of priority areas are included within the Implementation Plan, and the initial work will be funded through a combination of secured DEFRA grant funding as well as the re-prioritisation of existing budgets.

The tables below identify the work that is planned over the next 2 years and their associated funding requirements.

#### DEFRA Grant Funded:

24/25	25/26
Installation of sensor network: £140k	
Website to collate and publicise data: £70k	
Behaviour change & AQ Literacy: £360k	
<b>TOTAL: £570k</b>	

**Funded through re-prioritised existing budgets:**

<b>24/25</b>	<b>25/26</b>
Identify stretch targets: £25k	Communication package: £50k
Planning and design guidance: £60k	Schools engagement programme: £100k
Speed limit reduction business cases: £60k	
Communication package: £30k	
<b>TOTAL: £175k</b>	<b>TOTAL: £150k</b>

**5. Legal Implications**

There are no legal implications directly arising as a result of this paper. Any legal implications will be considered on a project-by-project basis.

**6. Single Assurance Framework Implications**

The role of the Assurance and Appraisal Team is to apply the SAF process to the WM AIR Quality business case which has already been approved. The Assurance and Appraisal team have confidence that SAF has been applied to the business case and that it demonstrated that effective plans for delivery are in place and that the risks to the WMCA have been considered.

**7. Equalities Implications**

Having clean air to breathe should be enjoyed by all communities across the West Midlands. The current picture indicates that this is not the case, with many communities suffering from poor air quality that leads to harmful impacts on health and other social and economic outcomes. The aim of this Air Quality Framework Implementation Plan is to complement the work already happening in local authorities to address poor air quality across the region, but also to accelerate action in areas that have a regional dimension, especially around particulates.

**8. Inclusive Growth Implications**

This report links to a number of the WMCA's eight inclusive growth priorities, which are identified as 'a catalyst for improved and sustained outcomes for people place, co-designed with partners and beneficiaries'. The Air Quality Framework Implementation Plan will support outcomes around:

- reduction of health inequalities;
- improving understanding, awareness and knowledge of environmental issues;
- supporting the principle of powerful communities through providing support to deliver change and create better places; and,
- equality (reducing the numbers of people living in deprivation).

**9. Geographical Area of Report's Implications**

The Air Quality Framework Implementation Plan covers all constituent local authorities. There is also potential to collaborate with non-constituent authorities on some of the communications tools and messaging being developed through the Framework.

## 10. Other Implications

None

## 11. Schedule of Background Papers

- Appendix 1: West Midlands Air Quality Framework Implementation Plan
- The full version of the Air Quality Framework will be available here from **Monday 13<sup>th</sup> November**: <https://www.wmca.org.uk/what-we-do/environment-and-energy/air-quality/>

# West Midlands Combined Authority Air Quality Framework

Framework Implementation Plan (2024 – 2026)

November 2023

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West Midlands  
Combined Authority

WEST MIDLANDS  
Greener Together





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## Foreword

As Mayor of the West Midlands, I am pleased to introduce the West Midlands Combined Authorities' new Air Quality Framework Implementation Plan. Back in 2019, the West Midlands Combined Authority declared a climate emergency. Since then, we have grown our energy and environment programme to ensure we can tackle it. This comprehensive framework represents a vital step forward in our ongoing commitment to improving the quality of life for our residents, protecting our environment, and building a healthier, more sustainable future for our region.

I believe clean air is not a luxury but a fundamental human right. Every breath we take should be pure, safe and free from pollutants. I am aware that, like many regions across the globe, we have faced a considerable challenge when it comes to air quality. That is why this plan is the result of intense collaboration between our local authorities, key national and regional stakeholders and the dedicated teams within the Combined Authority who share a commitment to addressing air quality issues head-on. Through their forward-thinking and evidence-based approach, they have created something that I genuinely believe will benefit the lives of future generations.

Our existing Net Zero initiatives, such as retrofit and our active travel network, have demonstrated that we are first and foremost delivery-focused, and our work on air quality will be no different.



Through this plan, money secured from central government will see the West Midlands lead the way in tackling air pollution, becoming home to one of Europe's largest low-cost air quality sensor networks.

However, there remains significant work to do - some of which will require innovation in technology, policy, regulation or approaches to behaviour change. I hope this plan inspires not only our local authorities and public servants but also the entire community to join us. Please see this as an invitation to come forward and work with us at pace to identify new solutions for tackling air pollution. Together, we can create a West Midlands where the beauty of our natural landscapes is matched by the purity of our air.

**Andy Street**  
Mayor of the West Midlands and Chair of the West Midlands Combined Authority



## Foreword

Poor air quality remains the single biggest environmental risk to public health. The health impacts from poor air quality are significant: bronchitis, asthma, kidney disease, diabetes, dementia, and stunted lung development in children, and the list goes on. And poor air quality disproportionately impacts people living in deprivation, the very young and the old. Therefore, we all have an obligation to take action to reduce the sources of this pollution so that the people of the city and region can realise their full potential.

Birmingham City Council has made a significant commitment to tackling this issue through the introduction of the Clean Air Zone and the Brum Breathes Clean Air Strategy. Both these actions focus on air pollution created by road traffic, which is the dominant source of air pollution in Birmingham and across the region. However, air pollution from other sources such as: biomass boilers, firework displays, diesel generators, demolition and construction, bonfires, wood burners, industrial emissions will require different solutions and more coordinated action across the region.

The actions needed to improve outdoor air quality are clear. However, there is a growing need to better understand the sources and impacts of indoor air pollution. This is especially important as we start to realise improvements to outdoor air quality as the majority of our days are spent indoors.



There are far fewer studies of indoor air quality when compared with outdoor air quality, and pollution that affects indoor air quality is not just from indoor sources, such as cooking and stoves, it may also be due to outdoor pollutants. It is also true that some indoor sources emit pollutants that are found outdoors, such as particulate matter (PM) and nitrogen dioxide (NO<sub>2</sub>) from woodburning stoves and open fires. Indoor air quality is also impacted by works to reduce heat loss from buildings and we need to ensure important steps to improve the energy efficiency of our built environment incorporate appropriate ventilation. This is particularly vital in older homes with building-integrated air circulation via air bricks, open fireplaces and suspended floors.

Critically, we know that someone with a pre-existing respiratory or cardiovascular condition, or an allergy, is particularly affected by poor indoor air quality, and children are particularly at risk from respiratory problems, such as wheezing and asthma, eye and skin complaints and reduced cognitive performance. Work to improve air quality supports Birmingham's ambition to be a UNICEF Child-Friendly City in which every child can enjoy the same opportunity to be safe, healthy, grow and develop.

There are some spaces that are fully private, such as owner-occupied homes, but there are many more public indoor spaces, including health and education settings, shops and workspaces. Local authorities across the region provide social housing to tens of thousands of people. As with outdoor settings people are exposed to air pollution indoors but often feel unable to avoid it and unsure how to improve it. Therefore, by working collaboratively, across the region with colleagues from the Combined Authority, local authorities, public health and others we need to develop a better understanding of how we can prevent and reduce air pollution. And we need to do so as a matter of urgency. Alongside this is a commitment to involve the public in our work to improve air quality, so that people know what air quality is all about, why it is important, and what we can do together to improve it.

Taking action to improve air quality can also help to address carbon emissions and enable some of the broader systemic changes required to achieve carbon neutrality within the next decade or so. Transport remains a significant contributor of carbon emissions, but fossil fuel combustion for heating, and those burned for electricity generation consumed in buildings is an equally large contributor. Therefore, by tackling the issues around indoor air quality and carbon emissions we have the opportunity to create more sustainable, lower cost homes for thousands of people across the city and the region.

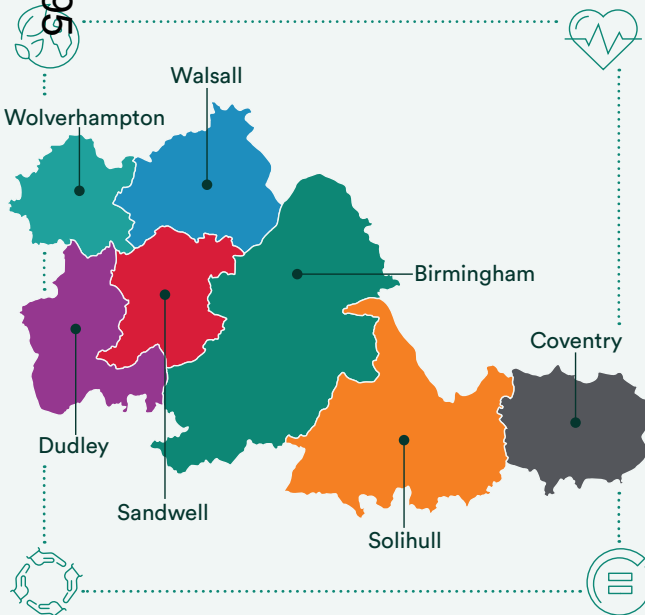
This Framework Implementation Plan provides a starting point for this work. We need more monitoring to better understand the locations and sources of air pollution. And we need to work across the region to share data, improve the understanding of the sources of air pollution and to provide people and organisations with the tools and support to address this issue.

**Councillor John Cotton**  
Leader of Birmingham City Council and  
Chair of the West Midlands Combined  
Authority Environment & Energy Board

## Executive Summary

This first Framework Implementation Plan has been developed to summarise priority measures from the West Midlands Combined Authorities (WMCA's) Air Quality Framework that will be progressed/delivered between 2024 and 2026. The implementation of these priority measures will see progress towards WMCA's vision:

*“The West Midlands will have air quality that is safe for all people, no matter where you live in the region, resulting in significantly improved public health and environmental outcomes.”*



These priority measures have been identified and narrowed down (from the full list of 145 measures identified within the Air Quality Framework<sup>1</sup>) through engagement and consultation with relevant partners, charities, and organisations. This engagement included a wide consultation event which sought the views of attendees regarding the options/measures that should be the focus of activities over the next two years. At the end of this, there will be a further Framework Implementation Plan developed.

The options have been categorised into the following work packages:

- Monitoring and digital engagement;
- Air quality communications;
- Schools engagement;
- General air quality engagement and behaviour change (including dedicated measures for domestic combustion);
- Net zero and retrofitting;
- Planning and air quality assessment;
- Natural environment; and
- Research.

In addition, there are standalone measures that do not fit into the above work packages at this stage. The prioritised measures/work packages target improvements in both nitrogen dioxide and particulate matter and look beyond road transport emissions. This reflects the shifting focus for protection of future health in relation to particulate matter and associated effects from both road transport and other sources. Notably, WM-Air researchers estimate that annually in the West Midlands, up to 2,300 early deaths are attributable to long term PM<sub>2.5</sub> (particles that are less than 2.5 micrometres (µm) in diameter) exposure.

The implementation of the priority measures will not replace, but complement, the existing activities that are being delivered by both Transport for West Midlands (TfWM) and the region's local authorities to support improvements in air quality.

Whilst this document has been produced by the WMCA, working with its constituent local authorities, the Framework will need a collaborative approach to enable delivery. This will include local and regional government, but also the commitment of local businesses and communities. The Framework will also need financial investment in order to implement, and then sustain, some of the measures identified. As air pollution is both produced and experienced locally and regionally, any emissions reduction (by industry, transport, and housing) as a result of the implementation of the Framework will have immediate local and regional benefits.

We have begun our path to delivery through a DEFRA-funded air quality grant and look to continue working with our regional partners, local businesses and communities as the Framework is delivered.

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West Midlands  
Combined Authority



# 1. Introduction: Purpose and Scope of the Plan

## The Air Quality Framework and need for a Framework Implementation Plan

The West Midlands Combined Authority (WMCA) has developed an Air Quality Framework<sup>2</sup>. This comprehensive document comprises a list of 145 potential 'options' that could be enacted to address poor air quality and inequality of exposure. The options vary in terms of their likely impact, timescale for implementation and cost but focus on measures that can be implemented at a regional level. The Air Quality Framework recognises the role and responsibility of the West Midlands constituent<sup>3</sup> and non-constituent local authorities<sup>4</sup> on Local Air Quality Management (LAQM) and seeks to support and amplify their efforts through the provision of a strategic framework for the region. This directly aligns with the Environment Act 2021<sup>5</sup> which suggests that more regional co-operation should be undertaken.

Given the scale of the task, this Framework Implementation Plan has been developed alongside the main Framework document to provide focus for work packages and measures to be prioritised during the initial two-year work programme.

It has been developed in conjunction with organisations from the public sector (including health, public health, and local authorities); research organisations and third sector organisations that have an interest in environment, health and air quality. Their feedback and input were gained through an interactive consultation process that allowed the identification of priority measures for implementation.

The outcomes that we hope to achieve through the implementation of the Framework include, but are not limited to:



Reduced exposure to nitrogen dioxide (NO<sub>2</sub>) and particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub> - particles that are less than 10 and 2.5 micrometres (µm) in diameter respectively) striving to achieve better health outcomes for people living and working in the West Midlands.



Increased awareness amongst people, communities, developers, businesses, politicians, and policymakers of the need to tackle poor air quality in the West Midlands.



Improved monitoring, data collection and communication of the data to local groups, especially those at risk. The resulting insights should be used to understand the impact of various policy measures. Findings can then be used to inform discussions concerning future prioritisation to address poor air quality (including soft measures such as behaviour change campaigns and/or infrastructure solutions).



Increased regional and national co-working and cooperation to improve air quality and health outcomes in the most efficient way possible. This will build upon the work undertaken by local authorities and use the lessons learned to make the implementation and outcomes as effective as possible.

The delivery of this Framework Implementation Plan will require collaboration across a wide range of stakeholders; it cannot be delivered by any one organisation (i.e. WMCA) acting alone. As a result, we plan to establish a Framework Delivery Group (FDG) that will complement existing governance arrangements. This will enable wider integration of regional stakeholders through focused task and finish groups tackling particular issues. More on this is outlined in [Section 7](#).

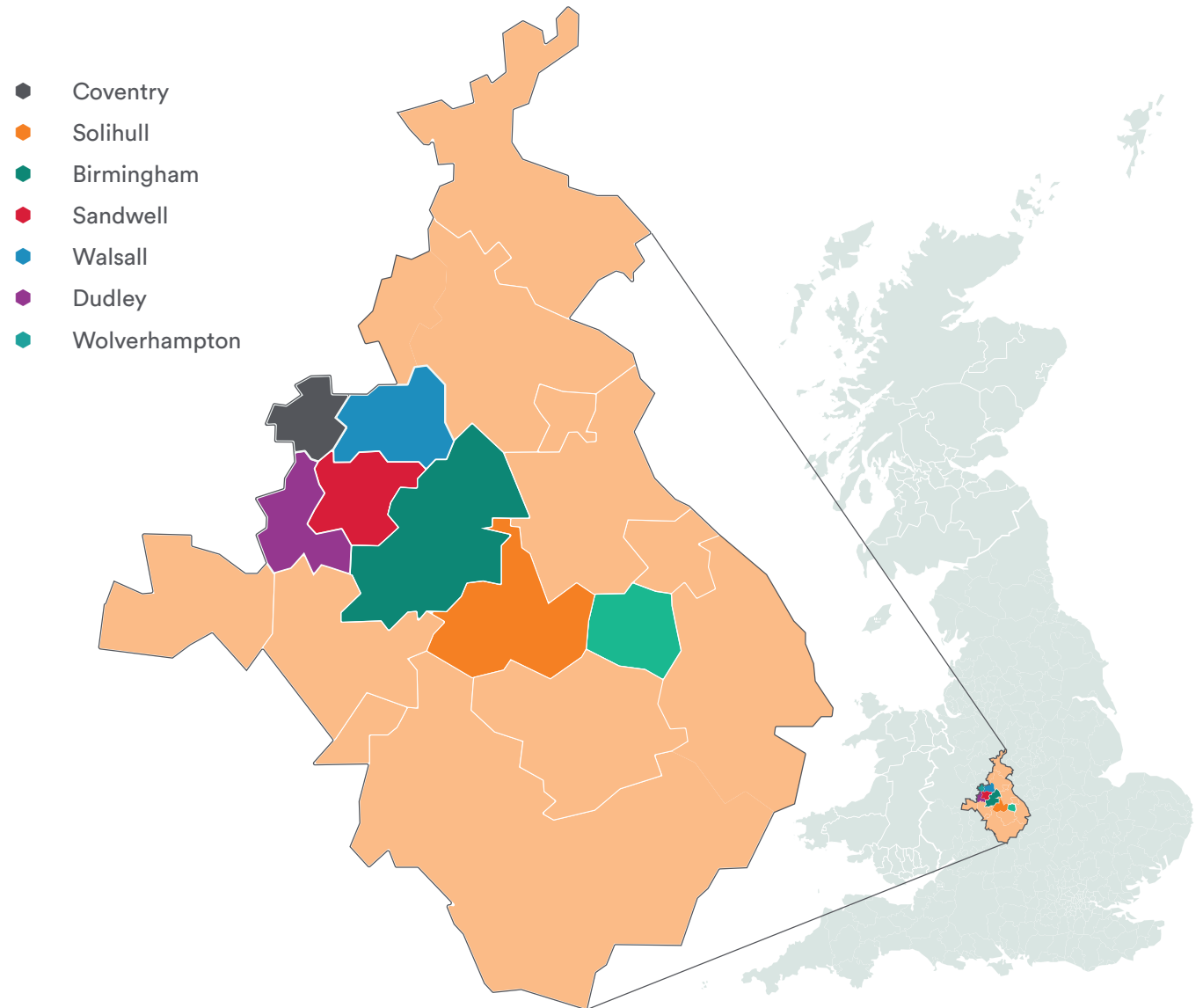
Finally, the engagement and involvement of the West Midlands people and communities is fundamental to helping assess, prioritise, and implement measures. The Greener Together Citizens' Panel has already provided input into the things we should consider when deciding to move forward with a particular measure or policy. We plan to continue working with the Panel to support the roll out of the Framework Implementation Plan.



## Scope of the Plan

The Air Quality Framework, and subsequent Framework Implementation Plan, are applicable to the seven constituent local authorities and 11 non-constituent local authorities which make up the WMCA region. For the purposes of this work, we have focused on the role of the constituent local authorities but, as with many other environmental issues, there is scope to collaborate across different geographies. For example, the Coventry and Warwickshire Air Quality Alliance have been a stakeholder in developing the Framework.

Anything that can be delivered by WMCA, constituent local authorities or partners is considered within the scope of the Framework. Options which fall outside of the scope of the Framework typically are those which rely upon national government to promote or are not implementable within the current powers. If we identify any powers that would benefit air quality and public health, then they could form part of a future devolution deal.



### Roles and Responsibilities

Table 1.1 lists the organisations involved within the development of the Air Quality Framework and their respective roles and responsibilities. There is a need to form a multi-disciplinary approach when considering measures to be implemented to improve air quality and health within the region (from transport, environmental and public health to planning etc.).

Table 1.1: Roles and Responsibilities Within the West Midlands

Organisation	Responsibilities					
	Transport	Planning	Public Health	Environment (excluding air quality)*	LAQM	Clean Air Zone (CAZ)
WMCA	✓			✓		✓
Local Authorities	✓	✓	✓	✓	✓	✓
Environment Act (2021) Air Quality Partners**	✓	✓	✓	✓	✓	✓

Notes:

\* This is a responsibility that is shared across regional and local authorities. There are currently no statutory obligations (that sit outside planning), but the WMCA is expecting to be appointed responsible authority for the Local Nature Recovery Strategy (as outlined in the Environment Act, 2021).

\*\* Air Quality Partners may be a neighbouring local authority; a designated Relevant Public Authority (such as National Highways); the Environment Agency.

### Role of WMCA

Each option within the Framework has an indicative WMCA role assigned to it, which is as follows:



#### Lead

WMCA would have direct responsibility and would take action;



#### Enable

WMCA can enable the option to go forward in some capacity (e.g. undertaking preliminary assessment work, providing physical items (e.g. trees) to enable the work to go forward);



#### Convene

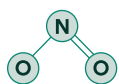
Bring parties together to discuss an issue/option and how it can be resolved. This could include providing inputs on challenging issues and then finding the mechanisms to address them (such as mitigation or adaptation).

The workplan in [Section 5](#) is a combination of Framework options in complementary packages and standalone measures. It captures proposed ownership and delivery partners, as well as the targeted progress/delivery stage by the end of the initial two-year period. One of the strengths of a framework approach is that options within the Framework can be initially assessed, and experience drawn upon when required for more comprehensive and targeted assessment on a case-by-case basis.

## 2. Air Quality, Policy, and Regional Summary

### 2.1 Pollutants of Concern

This Framework is primarily dealing with two ambient (i.e. outdoor) pollutants:



**Nitrogen Dioxide NO<sub>2</sub>** is essentially a primary pollutant (directly emitted to the air). As such, it is typically emitted directly from or formed following high-temperature combustion (notably, road transport).



**Particulate Matter (particularly PM<sub>2.5</sub>)** - Particulate matter has both primary and secondary elements (pollutants which are formed in the atmosphere, from the processing of other primary emissions). Direct emission sources include biomass (wood) burning, combustion, road traffic, resuspended dust and dust from construction; secondary sources include particle formation from the atmospheric processing of NO<sub>2</sub>, sulphur dioxide (SO<sub>2</sub>), volatile organic compound (VOC) gases, and ammonia (NH<sub>3</sub>).

### 2.2 National Legislation, Policy, and Targets

There are several regulatory and advisory limits on air pollutants, as well as suggested policy approaches and measures for tackling poor air quality. For local authorities and the region, the most recent update to air quality limits and policy was part of the Environment Act 2021, its subsequent regulations (The Environmental Targets (Fine Particulate Matter) (England) Regulations 2023<sup>6</sup>) and other strategies such as the Environmental Improvement Plan 2023<sup>7</sup>.

The current legally binding targets set are higher than the WHO Air Quality Guideline Values in **Table 2.1**,

and therefore seen by many as not being sufficiently ambitious to maximise protection of health. It was noted in legislation that all areas within England should be able to reach the revised PM<sub>2.5</sub> target within the timescales set. However, transboundary pollution, especially in London and the south-east arising from continental Europe, was used to justify not setting a more ambitious target. As such, there is a disparity between what the Government considers an achievable target for all of England (a requirement of the Environment Act) and what the World Health Organization recommends governments should set as their PM<sub>2.5</sub> target, based on current evidence.

**Table 2.1: Key Ambient Air Quality Standards (for England) and Guideline Values Set by the World Health Organization**

Pollutant	Averaging Period	Government Objectives and Targets in England (µg/m <sup>3</sup> )	WHO Air Quality Guideline Values (µg/m <sup>3</sup> )
	Annual mean	40	10
	1-hour (hourly) mean	200 (not to be exceeded more than 18 times a year)	N/A
	24-hour (daily) mean	N/A	25 (not to be exceeded more than 3 to 4 times a year)
	Annual mean	40	15
	24-hour (daily) mean	50 (not to be exceeded more than 35 times a year)	45 (not to be exceeded more than 3 to 4 times a year)
	Annual mean (in 2023)	20	5
	Annual mean (2028 interim target)	12	5
	Annual mean (2040 target)	10	5



## Local Air Quality Management

Local authorities have had long standing responsibilities due to the LAQM regime under the Environment Act 1995. There were amendments to the LAQM regime in the Environment Act 2021, alongside more defined responsibility for tackling local air pollution. The responsibility for addressing local air quality is now shared between designated relevant public authorities, all tiers of local government and neighbouring authorities. The key expectations have been further defined within a DEFRA policy paper<sup>8</sup> which includes statements such as “*If the government considers local action has not gone far enough, we will consider introducing a statutory duty on local authorities*”. For context, [Appendix B](#) details what the government’s priorities and actions are and provides some context on what will be done nationally.

The LAQM regime requires every district and unitary authority to review and assess air quality in their area on a regular basis and present the findings in an Annual Status Report (ASR). The ASRs will identify if objectives have been, or will be, achieved at relevant locations by the required date. If an Air Quality Management Area (AQMA) is designated on the back of an ASR, an Action Plan should be prepared within 12 months following the declaration of the AQMA.

There have been varying mechanisms and measures to reduce pollutant concentrations in areas with exceedances of the air quality objectives. However, typically these are in the form of transport schemes, smaller scale mitigation, behaviour change and wider geographical controls such as Smoke Control Areas (SCAs).

More recently there have been measures such as Clean Air Zones and Zero Emission Zones (ZEZs) that can be used as a mechanism to meet the legally binding NO<sub>2</sub> air quality objective in the shortest possible time. However, measures such as CAZs can have varying impacts on concentrations depending on the restrictions imposed, but typically the impact on NO<sub>2</sub> is greatest. For example, the Birmingham CAZ area includes approximately 5% of the city population, which is one of the major limitations in achieving any significant health benefit (for major cost). CAZs can also exacerbate social and economic inequality, however, if funds are used efficiently, changes in behaviour and modal shift can provide wider benefits which may not be immediately apparent.

With the clarified responsibility to improve local air quality, it is imperative that regional solutions are implemented. This is a departure from most previous LAQM approaches, which have been primarily locally targeted when not included within a regional plan (such as a Local Transport Plan (LTP)). Most local authorities have extensive experience in improving air quality within their area, focusing on NO<sub>2</sub>; however, there are potential benefits to using this knowledge to expand measures across the region and implement new ones.



## 2.3 Impacts, Sources and Regional Picture

### Air Quality Impacts on Health and the Environment

Traditionally for ambient air pollution, the focus has been on  $\text{NO}_2$  and the larger particle sizes (such as  $\text{PM}_{10}$ ). However, there is a substantial evidence base that concludes<sup>9</sup>  $\text{PM}_{2.5}$  is more dangerous to human health, as the particles can penetrate more deeply into the body, lungs and even bloodstream; and is causally associated with a broader range of health outcomes than  $\text{NO}_2$ . This is reinforced within the Public Health Outcomes Framework (PHOF), where the 'Fraction of mortality attributable to particulate air pollution' only includes  $\text{PM}_{2.5}$ . As such, the Framework options have a particular focus on reducing emissions and exposure to  $\text{PM}_{2.5}$ . However, pollutants such as  $\text{NH}_3$  should not be ignored as they have both a direct impact on the natural environment and play a part in secondary  $\text{PM}_{2.5}$  formation, with emissions largely coming from agriculture.

The mortality burden of long-term exposure to outdoor air pollution (i.e., an estimate of how many people die from long-term outdoor air quality exposure) in England is estimated to be equivalent to 26,000 to 38,000 deaths a year<sup>10</sup>.

Most of these deaths attributable to outdoor air pollution are related to long-term exposure to  $\text{PM}_{2.5}$ . WM-Air estimate that annually in the West Midlands, up to 2,300 early deaths are attributable to long term  $\text{PM}_{2.5}$  exposure. In addition to the mortality burden, there is the causation and exacerbation of both avoidable and unavoidable chronic illnesses, such as asthma, along with associated impacts on mental health and cognitive function. As such, exposure to poor air quality has a significant impact on quality of life, public health, and

the economy, when considering associated healthcare costs. As shown in Figure 1, the impact of poor air quality can affect anyone during their lifetime, and impacts are typically not equal. Air quality inequality can stem from a variety of factors including socio-economics, ethnicity, age and other medical factors (such as pregnancy and pre-existing conditions).

Ambient air pollution also has an impact on the natural environment, with pollutants such as nitrogen oxides ( $\text{NO}_x$ ) and  $\text{NH}_3$  having an impact on sensitive plants through the formation of nitric acid in sunlight, which is a major constituent of acid rain, tropospheric ozone and smog. Through processes such as nitrogen deposition and direct toxicity, increased pollution can lead to a decrease in biodiversity and even crop damage, because some plants can adapt to the changes better than others.

Indoor air pollution is affected by both actions that happen indoors, and the quality of the air outdoors entering the space in question. Sources of indoor air pollution include combustion sources (such as gas boilers/hobs and solid fuel appliances like log burners), household products, furniture mould, cooking and outdoor pollutants. Indoor air quality is a less mature field of study than outdoor air quality. With improvements to outdoor air quality, it is expected that there will be an increased focus on indoor air quality, given the time that people spend indoors, and the range of behavioural and other interventions which can mitigate exposure. This can include advice on better ventilation, change to electric cooking methods, having a smoke free home (no smoking and log burners), reducing the use of harsh cleaning chemicals and keeping your home heated/ventilated to prevent condensation leading to damp and mould.

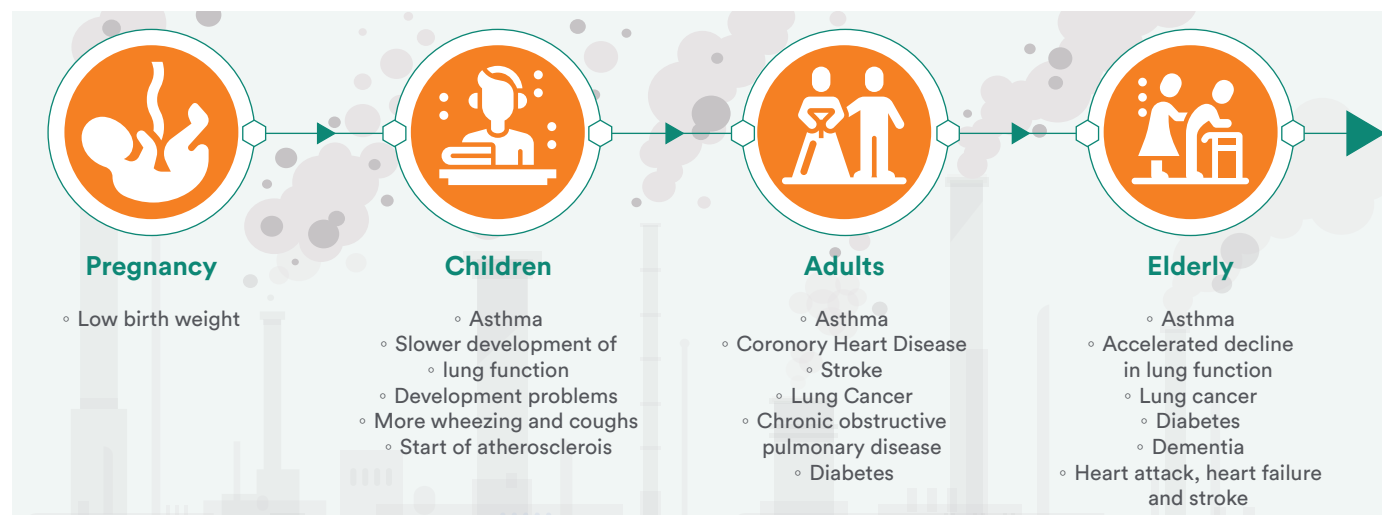


Figure 1: Health effects of air pollution throughout life.  
Adapted from the Chief Medical Officer's 2022 Annual Report: Air Pollution<sup>11</sup>

## Pollutant Sources Within the West Midlands

Primary NO<sub>2</sub> and NO<sub>x</sub> emissions in the West Midlands are dominated by road transport. Within this, as typical for UK urban environments, emissions are dominated by older diesel vehicles. Particulate matter, with a lifetime of a few days, bridges this divide: PM concentrations in the West Midlands reflect both local emissions, and transported pollution from elsewhere (i.e. transboundary pollution). Primary particulate matter emissions in the West Midlands also have a much wider spread of sources – including commercial and domestic combustion, industrial production and road transport.

The largest single source of particulate matter emissions in the West Midlands is domestic and commercial combustion.

Air pollutants are dispersed and transported by the wind. Weather conditions can also affect their deposition and removal. Their rate of removal from the air – or lifetime – reflects the importance of transported pollution relative to local emissions. Notably, levels of short-lived species will be dominated by local or regional emissions (e.g. NO<sub>2</sub>); at the opposite extreme levels of very long-lived species depend upon emissions globally (e.g. carbon dioxide (CO<sub>2</sub>)).

Whilst we are expecting urban NO<sub>2</sub> to decrease with the move to electric vehicles, projections from the National Atmospheric Emissions Inventory indicate that we cannot currently anticipate an equivalent reduction in PM<sub>2.5</sub> without additional interventions (related to non-exhaust particulate matter sources: brake, tyre, and road wear, exacerbated by increased vehicle weight).

## West Midlands Ambient Air Quality Overview

Ambient air quality has significantly improved over the past 50 years, particularly with notable reductions in pollutants like NO<sub>2</sub>. This trend is expected to continue as the transportation industry shifts towards lower and zero-emission vehicles. However, the decrease in particulate matter concentrations has slowed in the last decade. Moreover, particulate matter emissions are not solely from transportation; domestic combustion, especially in the West Midlands, remains a primary source of particulate matter emissions, and an increase in solid fuel combustion in recent years has hindered overall emission reductions.

NH<sub>3</sub> is typically more relevant to the natural environment but is gaining importance in terms of human health. It can contribute to increased secondary PM<sub>2.5</sub> concentrations through chemical reactions in the atmosphere.

Ammonia emissions and concentrations have not decreased to the same extent as other pollutants.

The highest 2021 annual average PM<sub>2.5</sub> concentrations in the West Midlands are modelled in central Birmingham, Coventry, Sandwell and Walsall (as shown overleaf in **Figure 2**). This is largely supported by the monitoring undertaken by the WMCA constituent local authorities and published within their ASRs. N.B this dataset is a modified 2016 model and therefore it has limited influence from COVID-19. This is because it utilises a 2021 vehicle fleet that would not be affected by COVID-19.

Across the region, monitored concentrations of PM<sub>10</sub> and PM<sub>2.5</sub> are below their respective objectives, with monitored annual mean PM<sub>2.5</sub> concentrations being

below the 2040 target (10µg/m<sup>3</sup>) in recent years. This indicates that in comparison to the government's objectives, monitored particulate matter concentrations are acceptable (although this may not capture all pollution hot spots). However, PM<sub>2.5</sub> in all areas exceeds the WHO Air Quality Guideline Value (5µg/m<sup>3</sup>); this is the situation across England, due to the combination of urban, rural, and transboundary pollution, from a mixture of natural and human origins.

DEFRA mapping for 2019 indicates that ward-mean annual average PM<sub>2.5</sub> levels in 72 of the 192 wards within the West Midlands exceed 10µg/m<sup>3</sup>. Modelling by WM-Air<sup>12</sup> suggests that that 1.2m people or ca. 40% of the West Midlands' population live in wards where ward average annual mean PM<sub>2.5</sub> concentrations exceed 10µg/m<sup>3</sup>. What emerges from this data is that the least advantaged areas (highest indices of multiple deprivation (IMD) score) tend to have the worst air quality and that the picture varies depending on the data source and methodology used.



Based on the WM-Air modelling (through the Air Quality Life Assessment Tool (AQ-LAT), across the WMCA area in 2019 the estimated fraction of annual mortality attributable to particulate air pollution was up to 8.4%, which is higher than the West Midlands average. Sandwell is predicted to have the highest fraction at up to 8.8%, whilst Solihull, has the lowest fraction of attributable mortality in the WMCA area at up to 7.9%. It should be noted that national PHOF fractions (shown in [Appendix B](#)) are based on NAEI background mapping and have a lower fraction in comparison.

Although the regional PM<sub>2.5</sub> monitoring results are promising when compared to the Government’s 2040 target, meeting more ambitious targets will reduce the burden and promote a wide array of benefits to the region. These include but are not limited to improvements in health, reduction in inequality and financial benefits of a healthier and more productive West Midlands.

For NO<sub>2</sub> there have been historical exceedances of the annual mean objective prior to COVID-19, and locations in the West Midlands where NO<sub>2</sub> exceeded the

objective during covid affected years (2020 and 2021). In line with the national trends, the number of locations exceeding the annual mean NO<sub>2</sub> objective has been decreasing over the past 15 years, however, in some urban locations, the concentrations are not decreasing at the same rate as elsewhere within the region. The results for 2022 (the first year to not have significant COVID-19 related impacts) are currently being prepared by local authorities, so this will provide further update on the progress made in dealing with road-source NO<sub>2</sub> emissions and exceedances of the annual mean NO<sub>2</sub> objective.

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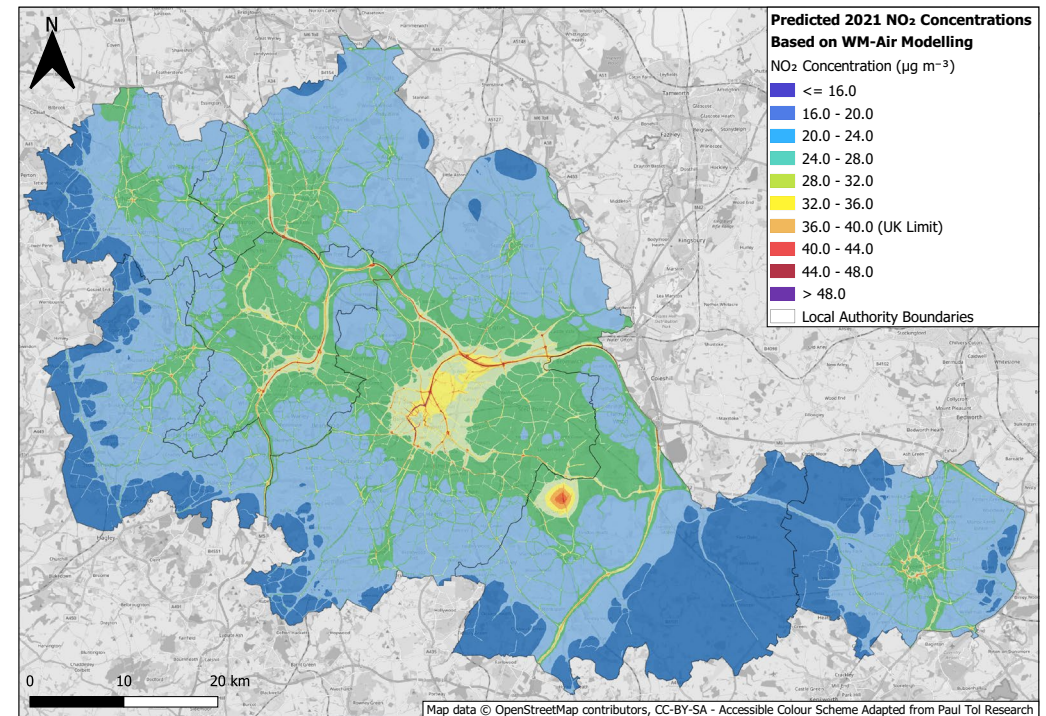
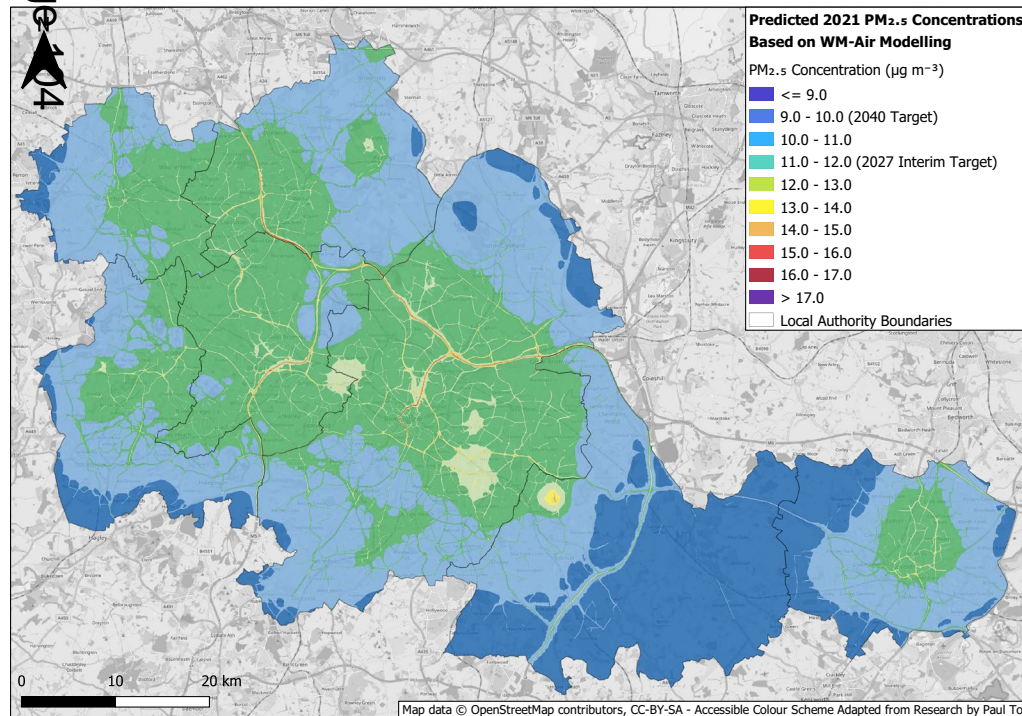


Figure 2: Modelled 2021 annual average concentrations of PM<sub>2.5</sub> (left) and NO<sub>2</sub> (right) in the West Midlands. Provided by WM-Air modelling.

### 3. Framework Overview

In response to member questions on air quality, WMCA in conjunction with the WM-Air project at the University of Birmingham, prepared an Air Quality Options paper<sup>13</sup>, which was presented to the WMCA Board in February 2022.

An initial overview of actions was identified in this paper, but there was recognition that this needed to be translated into an Air Quality Framework comprising a list of options assessed and prioritised against criteria including health outcomes, wider benefits, feasibility of implementation, cost and timescales as well as the likelihood to deliver air quality improvements. The Air Quality Framework took these options and included additional options following discussions with constituent local authorities and research from other key sources (such as from DEFRA<sup>14</sup>). The main Framework document details each of the stages in the Framework process. Figure 3 provides a summary of the stages of work undertaken.

At the inception of the Framework, and throughout the process, regular discussion and consultation was undertaken with TfWM, constituent local authorities and partners such as WM-Air. Details of the contributors and consultees for the Framework are given in [Appendix C](#). These discussions shaped the Framework's scope and direction, along with specific options which had not been previously identified. The WMCA's Greener Together Citizens' Panel also led the development of guiding principles that should be used as part of the detailed assessment and implementation of options outlined in this Framework Implementation Plan. More detail on how the Air Quality Framework options were appraised can be found in the document [here](#).

A targeted consultation process was also undertaken in August 2023, culminating in an in-person workshop event. Organisations from the public sector (including health, public health, and local authorities); research; and third sector organisations that have an interest in environment, health and air quality were invited to the event. The workshop event allowed for relevant decision makers and other key organisations to provide feedback on the draft Framework document, discuss air quality

issues and make recommendations on the options they would like included within this document. Following the consultation event, feedback and comments were collated along with the option recommendations for inclusion within this Air Quality Framework Implementation Plan. The resultant list of priorities within [Section 5](#) provides a challenging, but achievable set of packages and measures to improve air quality within the region.

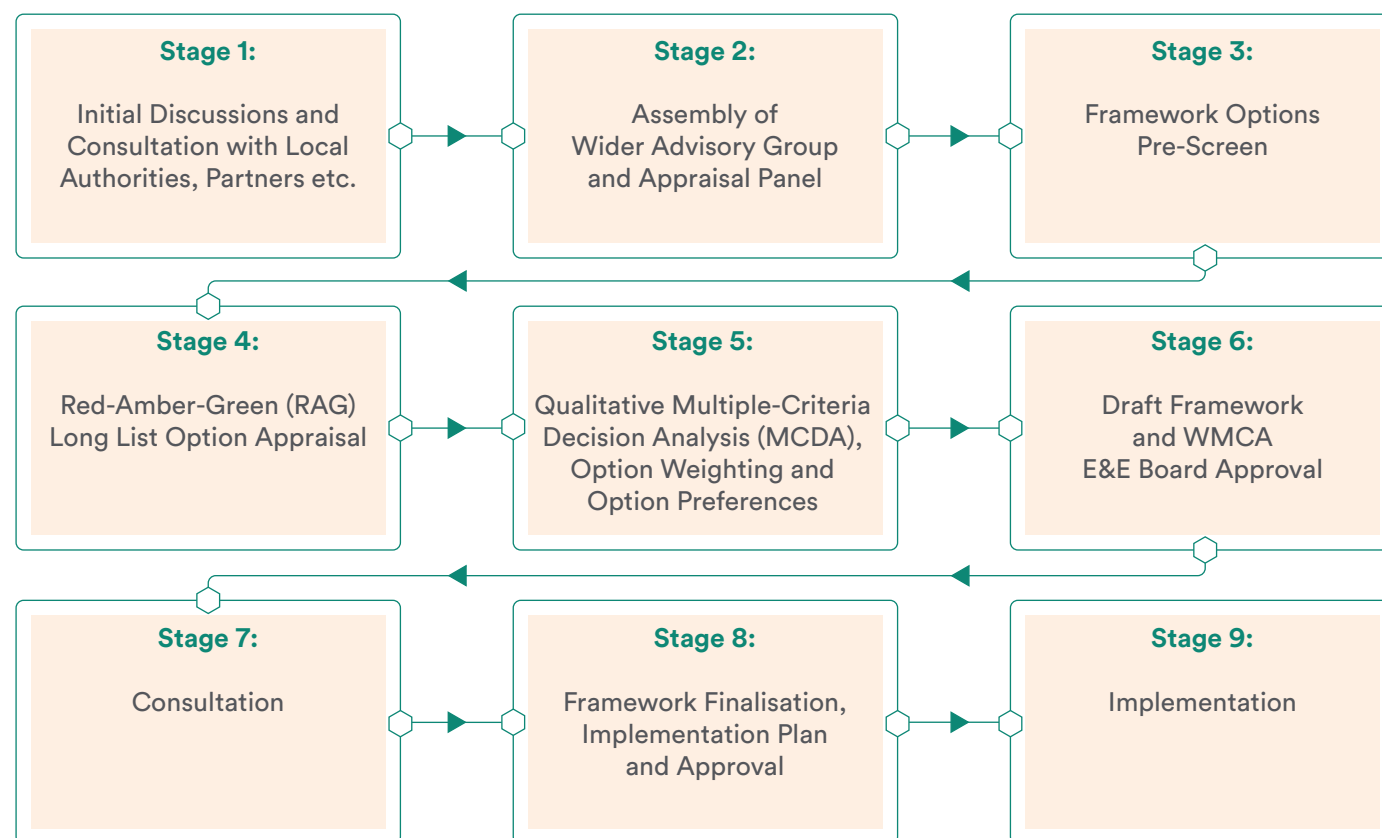


Figure 3: Framework Stages and Workflow

# 4. Wider West Midlands Strategic Approach

The Air Quality Framework, and this Framework Implementation Plan, do not sit within a policy vacuum. Strategic approach, and delivery, is dependent on effective coordination across other WMCA and local authority functions. These predominantly relate to:

- Existing air quality plans (especially local authority AQAPs and strategies).
- Transport plans, including the LTP, and associated area strategies and implementation plans.
- Net zero plans. At a regional level this is the WM2041 plan (and the associated Five-Year Plan) as well as local authority net zero strategies.
- Other linked area of work, e.g. regional and local public health and natural environment plans.

Within the boxes in the below diagram, there are specific plans and strategies that will be relevant to the successful delivery of air quality improvements. For example, the local authority plans and strategies box represents planning, local net zero plans, public health strategy, transport and natural environment (noting these may not necessarily be interlinked at a local authority level). We will be relying on the work with local authorities to identify areas where the Air Quality Framework can support on delivery and consistency.

Further, each of these plans/ strategies will be on a different cycle of renewal, approval, and adoption. As a result, the aim would be for the Air Quality Framework to support the provision of up-to-date information and action on addressing air quality for inclusion where appropriate.

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These are represented in **Figure 4**. We expect the Air Quality Framework Delivery Group to work with all of these areas as part of delivery (also see governance in [Section 7](#)).

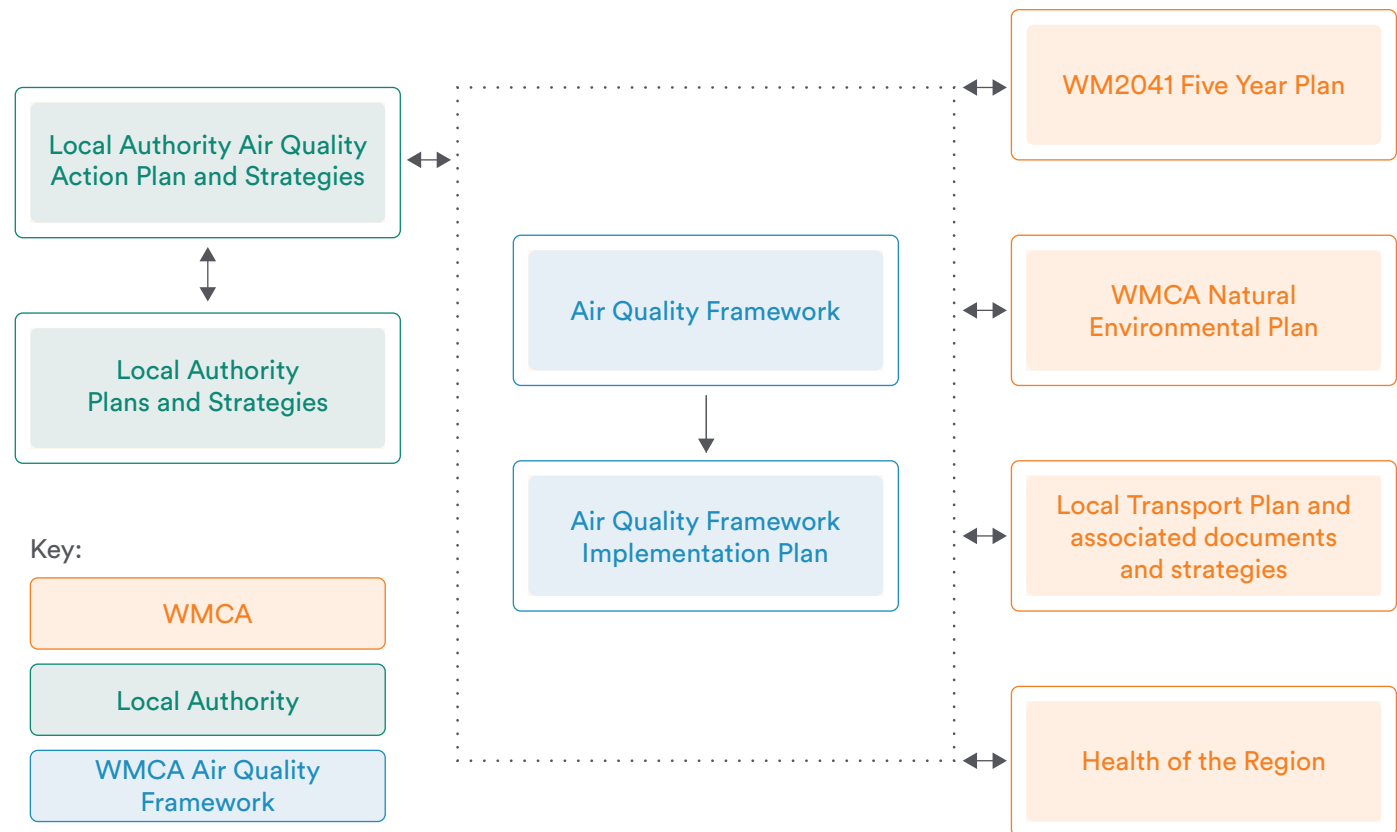


Figure 4: Alignment of the WMCA Air Quality Framework to Regional Strategies

## 5. Our Priorities 2024 – 2026








This section outlines the priorities of the Framework for the next two years by providing a set of work packages (WP) and measures to progress. The tables within this section provide an overview of the following:

- What each package or measure will deliver;
- Expected stage of delivery for the next two years;
- Cross references to the Framework options;
- Ownership for delivery and stakeholders/consultees;
- Indicative costs; and
- Risks and dependencies.

The overall scope, tasks required to progress, and funding requirements vary across the work packages and measures. As such, there are varied levels of delivery targeted within the two-years this document covers, grouped as:

- Outline feasibility stage;
- Business case prepared;
- Funding sought/secured;
- Early stage implementation; and
- Full implementation.

The Framework options vary in scope and granularity, with some options within the Framework having logical synergies with others. Where this is the case and there is benefit to a combined delivery, options have been grouped together into a work package. These include:

	Monitoring and Digital Engagement	Table 5.1
	Air Quality Communications	Table 5.2
	Schools	Table 5.3
	General Air Quality Engagement and Behaviour Change	Table 5.4
	Dedicated Engagement and Behaviour Change Package for Domestic Combustion	Table 5.5
	Net Zero and Retrofit	Table 5.6
	Planning and Air Quality Assessment	Table 5.7
	Natural Environment	Table 5.8
	Research	Table 5.9
	Transport for West Midlands and Local Authority Standalone Measures	Table 5.10
	Additional Standalone Measures for WMCA, Transport for West Midlands and Local Authorities (1)	Table 5.11
	Additional Standalone Measures for WMCA, Transport for West Midlands and Local Authorities (2)	Table 5.12

Many of the work packages are interconnected with common themes and actions, so there will be opportunities for reduced overheads when it comes to resourcing, finances, and delivery. Key aspects such as the building of communication channels and monitoring of outcomes can be applied across all work packages.

Those options that represent larger distinct works by themselves or do not naturally fit into the above structure have been retained as standalone measures. These standalone measures have the potential to be incorporated into existing or future work (such as the TfWM LTP) and the Framework Delivery Group will have a role in optimising the delivery of these measures, whether that be processing with a measure in isolation or have it incorporated into other packages. Table 5.10 (Transport for West Midlands and local authority standalone transport measures) and Tables 5.11 and 5.12 (additional standalone measures for WMCA, Transport for West Midlands and local authorities) summarise the measures that have not been placed into a work package. In all the tables below, the Framework options which make up the work packages or measures are stated, with the option description, followed by the Framework option identifier (such as 'MON1') in brackets.

Regarding finances and funding sources, an assumption has been made that officer time will be available from local authorities, supported by a WMCA officer post (currently financed by DEFRA). We do, however, recognise that there are significant capacity issues in terms of delivery in the constituent local authorities, which is a potential risk to delivery of some of these programmes. Providing additional resource through external support will be critical for success.

Some work packages and measures can be delivered in conjunction with existing projects and work (with some additional funding or officer time), but others will need standalone funding. Indicative resource requirements for the next 2 years have been identified against these.

Much of the engagement and behaviour change work can be delivered through existing officer time, potential additional resources and by leveraging the benefits of having more of a regional approach. Others, such as those relating to transport and infrastructure, will be much more complex to estimate financially and will have to be determined once allocated to a delivery partner and once a scope is defined. The Framework Delivery Group will play an integral role in identifying sources of finance and resourcing the delivery of the work packages and measures. In advance of this, it has already been demonstrated that the WMCA and seven constituent local authorities are able to attract funding through DEFRA grants and Department for Levelling Up, Housing and Communities (DLUHC) funding. There is also the scope for Section 106 (S106) funding and funds raised on the back of revised planning guidance (i.e. damage cost calculations) to support specific work packages in the future.

Where the costs of stand-alone measures and work packages are not yet known, the following scale has been applied based on professional judgement:

- £ - Officer time, or below £100,000
- ££ - Between £100,000 and £500,000
- £££ - Above £500,000.







Table 5.1: WP1 - Monitoring and Digital Engagement

## Monitoring and Digital Engagement

## Package Summary

Establish a West Midlands wide low-cost sensor network, along with an associated standalone website, network standard and behaviour change elements. This will bring together existing indicative low-cost sensors from local authorities, plus existing monitoring that is used for compliance. This will enable increased understanding of particulate concentrations within the region and provide tools to reduce exposure and emissions to benefit public health. The network will be designed in conjunction with partners and with guidance/standards to be shaped by upcoming DEFRA low-cost sensor guidance.

## Expected Delivery

Full implementation.

## Consisting of Framework Options

- Establish a West Midlands wide low-cost sensor network, with an associated standalone website that includes existing regional data, enable other systems (such as an alert system) and air quality information that is effective for behaviour change. (MON1)
- Establish regional standards on air quality monitoring covering all monitoring types to ensure that the data being acquired is robust and the equipment used is to a minimum standard. (MON2)
- Use a centralised West Midlands air quality network website as a data store to enable various analyses such as trends and the quantification of the impact of air quality measures. (MON4)
- Use low-cost sensors to capture high level domestic combustion data to be used in effective behavioural change advertisement and create real life stories/case studies. (EBC9)
- Provide a centralised online public resource and/or platform for engagement and behaviour change co-ordination across the West Midlands. (EBC30)
- Use a regional air quality website to deliver key air quality information and effective information to facilitate behavioural change through a single point for the West Midlands. (EBC31)
- Interactive online resources to demonstrate air quality issues. (EBC32)

## Proposed WMCA Role and Ownership

WMCA to **lead**, with local authority and partner input.

## Stakeholders / Consultees

Local authorities, TfWM, communities, medical professionals/GPs and businesses.

## Indicative Two-Year Costs and Sources

£640k (already secured through DEFRA grant and DLUHC funding), likely to cover up to five years.

## Risks

Long term viability without long term funding. Dating of equipment due to adoption of new technologies/fragmentation of technologies. Lack of promotion and engaging materials on the centralised website leading to lack of usage.

## Indicative Long-Term Costs and Sources

TBC following finalisation of scope and procurement, however existing funds expected to provide support to five years (££-£££).

## Dependencies

External funding (including promotion), local authority highways/TfWM support for installation on lampposts where required and property owner consent.



Table 5.2: WP2 - Air Quality Communications

## Air Quality Communications

## Package Summary

Produce a communications strategy and materials to harmonise and maximise the effective delivery of air quality communications throughout the West Midlands. This would include using existing channels of communications (such as local authority communication teams) and leveraging trusted advisors to disseminate key information to those that need it the most. Having coordinated and harmonised air quality messaging will be key to increasing awareness and leading to changes in behaviour. Utilising local authority public health teams will be critical in the creation and dissemination of materials through existing partnerships and communication channels.

## Expected Delivery

Early stage to full implementation.

## Consisting of Framework Options

- Leverage campaigns for public transport, walking and cycling to promote the various co-benefits (including emissions and health) along with exposure mitigation. (EBC10)
- Use health professionals to educate and disseminate targeted air quality information to vulnerable and at-risk patients. (EBC27)
- Work with existing public health channels to deliver consistent messaging across the West Midlands. (EBC29)
- Use trusted advisors to disseminate air quality messaging (including faith leaders, GPs, nurses, fire service etc). (EBC34)
- Ensure that air quality communication and engagement are consistent and inclusive across the West Midlands (and modified where necessary) to make messaging as clear as possible with the best chance of behavioural change. (EBC38)
- Roll out tools to warn and update residents of poor air quality and supported by regional/local healthcare system. (PH1)

## Proposed WMCA Role and Ownership

WMCA to **lead**, with local authorities supporting on local implementation.

## Stakeholders / Consultees

Local authorities (air quality, public health, and communication teams), TfWM, healthcare, communities, and external organisations.

## Indicative Two-Year Costs and Sources

Set up and initial delivery of the work package expected to be in the region of £80,000. This would include a feasibility study/business case for an alert system and healthcare system integration.

## Risks


Poor public reach due to lack of coordination in communications, no agreement on messaging and key messages, conflicting messaging, lack of support within communities. No scope to update healthcare systems to integrate air quality alerts/warnings leading to lack of use.

## Indicative Long-Term Costs and Sources

TBC following feasibility – Expected to be officer time, any identified promotional costs and long-term support of air quality alert system if implemented (£-££).

## Dependencies

Establishment of strong communication channels, agreement on messaging, frequency, and style. Lessons learnt and outputs from the WMCA led DEFRA behaviour change project.

 <b>Table 5.3: WP3 - Schools</b>	
<b>Schools</b>	
<b>Package Summary</b> Produce a coordinated approach to engaging with West Midlands schools on air quality. Several local authorities already undertake schools’ engagement. However, utilising existing experience, lessons learnt and contacts to deliver a consistent engagement programme and accreditation scheme should provide better air quality outcomes in a timely and financially efficient way. Working with a wide range of partners and local organisations will allow for greater access to secondary and further education establishments, which are historically difficult to engage with (due to such factors as resourcing, time, and curriculum relevancy). There should be engagement and linkages to existing programmes and working with existing groups who campaign in the area (such as Mums for Lungs).	<b>Expected Delivery</b> Early-stage implementation.
<b>Consisting of Framework Options</b> <ul style="list-style-type: none"> <li>● Introduce a West Midlands schools accreditation and education scheme for air quality. (EBC28)</li> <li>● Develop and deliver a consistent regional schools engagement programme across the West Midlands, with flexibility to account for variations across the area (such as city vs suburban locations). (PH4)</li> </ul>	
<b>Proposed WMCA Role and Ownership</b> WMCA to enable, with local authorities leading on local implementation.	<b>Stakeholders / Consultees</b> Schools, local authorities (air quality, public health, and communication teams), TfWM, communities and external organisations.
<b>Indicative Two-Year Costs and Sources</b> Establishment of the region wide programme and initial delivery of the work package expected to be in the region of £100,000.	<b>Risks</b> Low uptake by schools (particularly secondary schools) because of lack of time/ resourcing, duplication of work. Lack of officer time leading to fewer schools and a smaller programme.
<b>Indicative Long-Term Costs and Sources</b> TBC following feasibility – Expected to be officer time + any identified promotional costs (£). Potential sources to be investigated, could include Section 106 agreement or damage cost assessment funding streams (where in place and applicable). Potential funding request from DEFRA etc.	<b>Dependencies</b> Sufficient officer time and promotion to provide an effective programme.

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Table 5.4: WP4 - General Air Quality Engagement and Behaviour Change

## General Air Quality Engagement and Behaviour Change

## Package Summary

Produce a public health toolkit (a collection of authoritative and adaptable resources) and toolbox of measures (a package of measures for implementation) to raise the awareness of air quality issues and how changes in behaviour can have both personal and wider benefits. This should also include information on general behaviour change on better transport choices and small changes to reduce personal emissions when possible. The toolkit and toolbox approach will aim to reduce the ongoing resourcing burden, as resources and measures are collated for easier implementation. Linkages to the air quality communications package is key to disseminate information and ensure the information reaches everyone within the West Midlands. There will be key interactions with the DEFRA behaviour change project regarding campaigns that could be implemented, and the lessons learnt.

## Expected Delivery

Early stage to full implementation.

## Consisting of Framework Options

- ◆ Raise awareness of wider general indoor air quality issues, how to manage and potential solutions. (EBC4)
- ◆ Provide information on how to reduce personal exposure to poor air quality outside of the home and what can be benefits can be. (EBC25)
- ◆ Develop a small public health toolkit between stakeholders which standardises air quality communications and phrases across the West Midlands to ensure that communications are consistent and effective. (EBC26)
- ◆ Develop a toolbox of measures that local authorities can easily implement and have pre-packaged communications packages that local authorities can use to promote the measures. (PH3)

## Proposed WMCA Role and Ownership

WMCA to **lead**, with local authorities supporting on local implementation.

## Stakeholders / Consultees

Local authorities (air quality, public health, and communication teams), TfWM, healthcare, communities, external organisations, and businesses.

## Indicative Two-Year Costs and Sources

£350,000 funding secured through DEFRA for a seven behaviour change programmes across the WMCA area (covering themes in WP4 and WP5).

## Risks

Poor public reach due to lack of coordination in communications, no agreement on messaging and key messages, conflicting messaging, lack of support within communities. Lack of officer time leading to a smaller programme.

## Indicative Long-Term Costs and Sources

TBC following feasibility – Expected to be officer time + any identified promotional costs (£). Potential sources to be investigated, could include Section 106 agreement or damage cost assessment funding streams (where in place and applicable).

## Dependencies

Establishment of strong communication channels, agreement on messaging, frequency, and style. Lessons learnt and outputs from the WMCA led DEFRA behaviour change project.



Table 5.5: WP5 - Dedicated Engagement and Behaviour Change Package for Domestic Combustion

Dedicated Engagement and Behaviour Change Package for Domestic Combustion

Package Summary

Produce an effective regional engagement and behaviour change campaign to raise the profile of domestic combustion issues, particularly log burning, and the steps that can be taken to reduce non-essential emissions and exposure. Many residents are unaware of the health risks that even DEFRA approved appliances can have on their household’s health and others within the region. Using lessons learnt from the DEFRA behaviour change project and others (such as the London Wood Burning Project), the package will aim to inform and promote small changes in behaviour to reduce a major source of PM<sub>2.5</sub> emissions within the region. Reducing the level of misinformation and misconceptions regarding log burning and domestic combustion will be key, as will driving home the real-world health risks. It should be noted that there is the potential to deal with some aspects of domestic combustion through the planning process, via planning conditions on new development alongside Building Regulations requirements.

Expected Delivery

Early-stage implementation.

Consisting of Framework Options

- To raise awareness of specific air quality issues and potential solutions associated with the use of log burners, fireplaces, and bonfires. (EBC1)
- Raise awareness of air quality issues and potential solutions associated with general domestic combustion. (EBC2)
- Where solid fuel combustion is required, raise awareness to ensure the correct fuels are used (i.e. dry seasoned wood). (EBC3)

Proposed WMCA Role and Ownership

WMCA to lead, with local authorities supporting on local implementation.

Stakeholders / Consultees

Local authorities (air quality, public health, and communication teams), healthcare, communities, external organisations, and businesses.

Indicative Two-Year Costs and Sources

£350,000 funding secured through DEFRA for a seven behaviour change programmes across the WMCA area (covering themes in WP4 and WP5).

Risks

Poor public reach due to lack of coordination in communications, no agreement on messaging and key messages, conflicting messaging, lack of support within communities. Lack of officer time leading to a smaller programme. Adverse publicity when targeting non-essential combustion. Potential cost of living implications for small minority who have combustion appliances as their main source of heating and hot water.

Indicative Long-Term Costs and Sources

TBC following feasibility – Expected to be officer time + any identified promotional costs (£). Potential sources to be investigated, could include Section 106 agreement or damage cost assessment funding streams (where in place and applicable).

Dependencies

Establishment of strong communication channels, agreement on messaging, frequency, and style. Lessons learnt and outputs from the WMCA led DEFRA behaviour change project.

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Table 5.6: WP6 - Net Zero and Retrofit

## Net Zero and Retrofit

## Package Summary

Leverage existing WMCA and local authority net zero initiatives to promote the co-benefits of addressing air quality and Net Zero at the same time, for example through the WMCA Net Zero Neighbourhood programme. The incorporation of air quality as a greater component and recognising both the benefit and disbenefits of climate and net-zero action will promote air quality issues and promote changes that reduce emissions and exposure when implemented. The retrofit scheme will also have the potential to target more deprived areas and reduce the exposure of those most affected by poor air quality. Links to the changes in indoor air quality because of retrofit could be made, with promotional campaigns undertaken. There are also opportunities for the new WM-Net Zero research project to support and provide outputs, alongside linkages to other research, such as Framework option PH5 (Research into the real-world exposure of West Midlands residents (including the differences in exposure based on age and socio-economic situation) and what measures can be effectively implemented based on the findings).

## Expected Delivery

Full implementation.

## Consisting of Framework Options

- Page 114
- Metrics for improving air quality, to capture co-benefits from net zero actions and for policy to reduce regional health inequalities. (CNZ1)
  - Reduce fuel combustion by improving home energy efficiency. (DOM1)
  - Supporting the transition from gas central heating. (DOM4)
  - Support landlords and homeowners in accessing grants to retrofit. (DOM6)

## Proposed WMCA Role and Ownership

WMCA to **lead**, with local authorities supporting on local implementation.

## Stakeholders / Consultees

Local authorities (air quality, public health, net zero and planning teams), TfWM, WM-Net Zero, businesses, housing organisations, healthcare, and communities.

## Indicative Two-Year Costs and Sources

TBC following feasibility – Officer time (£) from an air quality perspective but tying into existing packages (£££). Potential sources to be investigated, could include section 106 agreement or damage cost assessment funding streams (where in place and applicable).

## Risks

Potential costs to lead to meaningful change when based on air quality grounds. Message getting lost in the net zero messaging. Lack of officer time. Cost of living crisis impacting affordability of measures.

## Indicative Long-Term Costs and Sources

TBC following feasibility – Officer time (£) from an air quality perspective but tying into existing packages (£££). Potential sources to be investigated, could include Section 106 agreement or damage cost assessment funding streams (where in place and applicable).

## Dependencies

Continuation of current net zero programmes, net zero neighbourhoods' expansion.



Table 5.7: WP7 - Planning and Air Quality Assessment

## Planning and Air Quality Assessment Considerations

## Package Summary

Air quality is a material planning consideration and ensuring that the planning process both promotes and addresses air quality issues is a key aspect of delivering better air quality outcomes. By having specific aspects of planning identified as best practice consistently throughout the West Midlands, standards can be raised, and developers know what is required. Some aspects such as air quality positive/neutral (i.e. ensuring that new developments' transport and building emissions do not worsen air quality; and maximising air quality benefits, while minimising exposure) and health impact assessments may require a longer-term approach, however they can be powerful tools to reduce future emissions and exposure for both new and existing residents. There should be a clear process on what should be done when there is a potential negative impact on air quality/public health. This will ensure it is clear for developers and consultants on what is expected and how this should be dealt with, ideally prior to a planning decision being made. There is the potential to expand existing requirements for damage cost assessments to fund air quality initiatives and promote higher standards of development.

## Expected Delivery

Business case to early-stage implementation.

## Consisting of Framework Options

- Establish a region wide planning and design for air quality best practice document which will be kept updated with local, regional, and national changes in guidance and legislation. (PPG1)
- Introduce air quality neutral and/or air quality positive assessments into the planning process across the West Midlands. (PPG2)
- Including Health Impact Assessments (HIA) in planning applications that consider air quality. (PPG8)
- Ensure that there is the sufficient assessment/integration of transport plans and projects (such as area transport strategies and mitigation schemes) to ensure that the air quality impacts are quantified and where necessary, mitigated. (TRN1)
- Land use planning - give preference to developments in locations that minimise the need to travel and/or propose sufficient facilities, which will therefore reduce operational impacts. (NBE8)

## Proposed WMCA Role and Ownership

WMCA to **enable/convene**, to be led by local authorities.

## Stakeholders / Consultees

Local authorities (air quality, public health and planning teams), TfWM and communities.

## Indicative Two-Year Costs and Sources

£60,000 to bring in external delivery support.

## Risks

Patchy implementation, evolving planning processes, legislation, guidance etc. Political support for additional planning processes and policy. Lack of officer time. Existing national and local planning policy typically leads to air quality issues in practice being low in the decision-making process.

## Indicative Long-Term Costs and Sources

Officer time (£).

## Dependencies

Proposed changes to the National Planning Policy Framework (NPPF), emerging local plans including enhanced air quality considerations.



Table 5.8: WP8 - Natural Environment

Natural Environment

Package Summary

Through its role as the Responsible Authority to deliver the Local Nature Recovery Strategy and the Natural Environment Plan, the WMCA is best placed to coordinate on natural environment aspects. To begin with, this will involve promoting the best ways to use the natural environment to improve air quality within the West Midlands, but also finding ways in which existing methods (such as biodiversity net gain (BNG)) can be leveraged to promote better air quality outcomes.

Expected Delivery

Early-stage implementation.

Consisting of Framework Options

- Leverage modified biodiversity net gain BNG metrics to improve urban design and reduce exposure to poor air quality. (NBE1)
- Working through the Natural Environment Plan to identify best uses of green infrastructure for air quality. (NBE5)

Proposed WMCA Role and Ownership

WMCA to lead, with local authorities supporting on local implementation and policy.

Stakeholders / Consultees

Local authorities (air quality, public health, planning and natural environment teams), partners, communities, and developers.

Indicative Two-Year Costs and Sources

Officer time (+ DEFRA funding through Local Nature Recovery Strategy Responsible Authority function).

Risks

Uptake from constituent local authorities, developers (due to costs). Willingness for developers to engage. Lack of officer time.

Indicative Long-Term Costs and Sources

Officer time (£).

Dependencies

Local Nature Recovery Strategy, adjustment to BNG metrics.

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Table 5.9: WP9 - Research

Research

Package Summary

Further detailed research into real-world emissions and population exposure in the West Midlands is key in understanding the best measures and policy that can be applied. Extensive work is already being performed by WM-Air within the West Midlands, and this has directly informed this framework and implementation plan, but additional research will enable us to determine the best path to better air quality outcomes. Additionally, creating new links with research institutions and commercial partners will allow for the research into more complex issues within the region such as increased road wear and improving road surface materials.

Expected Delivery

Funding secured to early-stage implementation.

Consisting of Framework Options

- Understand the relative importance of within-region emissions and transported air pollution for WMCA air quality. (MON5)
- Research into the real-world exposure of West Midlands residents (including the differences in exposure based on age and socio-economic situation) and what measures can be effectively implemented based on the findings. (PH5)
- Research on the effectiveness of new technologies for reducing pollutant concentrations in the built environment. (NBE12)
- Research the sources and methods for effective secondary aerosol formation reduction and how these can be implemented across commercial, industrial and agriculture. (CIA21)

Proposed WMCA Role and Ownership

WMCA to **convene**, with WM-Air at the University of Birmingham to lead.

Stakeholders / Consultees

Research institutions, WMCA, Local authorities (air quality, public health, and communication teams), TfWM, healthcare, communities, businesses, and industry.

Indicative Two-Year Costs and Sources

Utilising existing research streams (£).

Risks

Potential difficulty in providing the resolution required across the region. Additional data may be required for particular emission sources, which may be expensive.

Indicative Long-Term Costs and Sources

TBC depending on funding coming forward and existing funding streams (££-£££).

Dependencies

Ongoing WM-Air funding and capacity within the workstreams. Finding research institutions with existing complementing workstreams or where there is funding available.

Tables 5.10 to 5.12 overleaf provide a summary of the measures that have not been put into a work package but are still a priority over the next two years. The measures mostly relate to transport, however, there are built environment and other considerations. As with the work packages above, the expected ‘delivery stage’ of the measures is subject to assessment, feasibility studies, business cases and funding.



Table 5.10: Transport for West Midlands and Local Authority Standalone Measures

Framework Option	TRN4	TRN8	TRN11	TRN15
Measure	Introduction of new Low Traffic Neighbourhoods and local area environmental traffic management measures.	Achieve a zero emission West Midlands bus fleet by 2030 and consider use which brings greatest benefit to areas with poor air quality in the deployment strategy.	Explore the case for workplace parking levies and other effective demand management measures as part of area strategies for the West Midlands.	Speed limit reduction (or dynamic speed limits) on high-speed roads.
Expected Delivery Stage	Outline feasibility stage.	Early-stage implementation.	Outline feasibility stage.	Business case prepared.
Proposed WMCA Role and Ownership	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.
Indicative Two-Year Costs and Sources	Officer time (£).	TBC - Dependant on implementation timescales, but most implementation expected to be outside of two years (£-££).	Officer time and dependant on appraisal required (£-££).	Delivery of a business case, estimated to be in the region of £30,000.
Indicative Long-Term Costs and Sources	Dependant on specific scheme. Will have associated assessment and feasibility costs. Local Transport Plan and other potential sources to be investigated. Could include section 106 agreement or damage cost assessment funding streams (where in place and applicable) (£££).	Some funding available - ZEBRA funded 124 zero emission buses and Coventry All Electric Bus City (£££).	Officer and management time (£-££).	Dependant on scope scheme. However, officer time and assessment costs will be primary costs (££-£££).
Stakeholders/ Consultees	Communities and local businesses.	Communities, local businesses, and transport companies.	Communities and local businesses.	National Highways, communities, local businesses.
Risks	Community and business reception. Will require detailed assessment to identify any issues with redistribution.	Increase to ticket prices. May not always target the most deprived areas or those with the highest pollutant concentrations. Potential for unknown changes in particulate matter emissions due to heavier vehicles, but the change depends on the existing fleet.	May be difficult to promote politically across the West Midlands as it will be an additional cost to businesses/workers.	Would require political sign off and National Highways support. Unknown level of upgrades required to enforce.
Dependencies	Promotion by local authorities and appropriate assessment.	LTP implementation.	Promotion by local authorities and appropriate assessment.	National Highways support.



Table 5.11: Additional Standalone Measures for WMCA, Transport for West Midlands and Local Authorities (1)

Framework Option	TRN16	NBE2	NBE9	NBE11
Measure	Investigate the lowering and enforcement of speed limits in urban centres and residential areas to address localised transport related air pollution and increase active travel. This includes further roll-out of 20 mph speed limits.	Promote transport schemes and road alterations that include effective green infrastructure to reduce exposure to poor air quality.	Creation of Low Traffic Neighbourhoods and local area environmental traffic management as part of the design of new developments which promotes sustainable transport use.	Construction of new high quality cycle tracks and other cycle infrastructure in accord with West Midlands cycle network planning, including links between key developments and key services to promote mode shift from car.
Expected Delivery Stage	Outline feasibility stage.	Early-stage implementation.	Business case prepared.	Business case prepared.
Proposed WMCA Role and Ownership	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>convene</b> - TfWM and local authorities to lead.
Indicative Two-Year Costs and Sources	Delivery of a business case, estimated to be in the region of £30,000.	Officer time (£).	Officer time (£).	Dependant on specific scheme. Will have associated assessment and feasibility costs. Local Transport Plan and other potential sources to be investigated. Could include section 106 agreement or damage cost assessment funding streams (where in place and applicable) (£££).
Indicative Long-Term Costs and Sources	Dependant on scope. Will have associated assessment and feasibility costs. Local Transport Plan and other potential sources to be investigated. Could include section 106 agreement or damage cost assessment funding streams (where in place and applicable) (£££).	Officer time (£).	Dependant on specific scheme. Local Transport Plan and other potential sources to be investigated. Could include section 106 agreement or damage cost assessment funding (£££).	TBC
Stakeholders/ Consultees	Communities and local businesses.	Communities, local businesses, research institutions.	Communities & local businesses.	Communities, local businesses, road safety teams, local and national cycling groups.
Risks	Potentially lower speeds in urban areas may worsen air quality. May need street feature changes instead and risks road safety.	Promoting green infrastructure that is effective. Long term maintenance costs. Space constraints.	Will require detailed assessment to identify any issues with redistribution. Investment in alternative transport and cycle lanes etc.	Getting the required funding. Ensuring that the cycle lanes are fit for purpose and that modal shift occurs due to changes in behaviour. Minimising impacts on existing congested areas.
Dependencies	Promotion by local authorities and appropriate assessment.	LTP and Natural Environment Plan implementation.	Promotion by local authorities through transport and planning, and appropriate assessment.	LTP implementation.



Table 5.12: Additional Standalone Measures for WMCA, Transport for West Midlands and Local Authorities (2)

Framework Option	PPG14	PPG19	Stretch Air Quality Targets
Measure	Continue to roll out school streets programmes to reduce traffic and emissions in the vicinity of schools when there is transient exposure.	Provide training for members/decision makers/ local authority officers through a standalone air quality literacy training programme to ensure they are up to date on air quality matters.	The adoption of stretch targets which are more ambitious in terms of timescales and pollutant concentration targets than the UK Government air quality targets. These should be closer to World Health Organisation (WHO) targets for NO <sub>2</sub> and PM <sub>2.5</sub> to benefit public health.
Expected Delivery Stage	Full implementation.	Full implementation.	Business case prepared and targets agreed.
Proposed WMCA Role and Ownership	WMCA to <b>convene</b> - TfWM and local authorities to lead.	WMCA to <b>lead</b> .	WMCA to <b>lead</b> in partnership with a delivery partner (such as WM-Air).
Indicative Two-Year Costs and Sources	Dependant on specific scheme. Will have associated assessment and feasibility costs. Local Transport Plan and other potential sources to be investigated. Could include section 106 agreement or damage cost assessment funding streams (where in place and applicable) (£££).	Funded through the DEFRA Air Quality grant.	Delivery of a business case and research, estimated to be in the region of £25,000, assuming WM-Air can be mobilised to support on the work with their regional air quality model.
Indicative Long-Term Costs and Sources	TBC	Officer time and programme running costs (£).	N/A
Stakeholders/ Consultees	Communities, local businesses, police, road safety teams and transport companies.	Members and local authorities.	Members, local authorities, research partners.
Risks	Impacts on parents where there aren't viable alternatives to travel to school safely. Ensuring issues are not displaced.	Promotion will be required to ensure uptake.	Adoption across the region within air quality policies is key to ensure that the region has a common goal. Reliant on funding and adoption of Framework measures. Transboundary emissions are outside of the control of the region.
Dependencies	Continued support and implantation by TfWM and local authorities.	DEFRA Air Quality grant.	Utilisation of the WM-Air regional model for efficiency. Support from local authorities.

## 6. Delivery and ways of working

We are committed to making the work delivered through this Air Quality Framework Implementation Plan as open and transparent as possible. The WMCA is in the process of developing an air quality website where progress against our different projects/programmes will be shared. This will include a map illustrating the location of sensors with near to real time data on air quality across the WMCA region. Constituent local authorities will be able to add data and shape the website where possible. We will also look to publish data through the WMCA Environment and Energy Dashboard (which will be live in 2024).

Throughout our delivery, we will be evaluating the success of our projects and programmes. Given the diverse nature of our projects, there will not necessarily be a single approach to monitoring and evaluation; each project/programme will have its own methodology. There is also a commitment to provide regular updates to both the Environment and Energy Board, Transport Delivery Overview and Scrutiny and the Strategic Transport Board (outlined in the governance below).



### ● Greener Together Citizens' Panel

The Greener Together Citizens' Panel has also developed a number of guiding principles for our air quality project implementation and we are committed to working with these and the Panel hereon in. Bringing a representative group of citizens together is a powerful way to understand both acceptability and need for putting particular programmes and infrastructure in place, as well as to shape the way we deliver them. An initial report from the Greener Together Citizens' Panel on air quality is available [here](#).

For wider input and consultation, we also have the opportunity to discuss air quality related issues with the Greener Together Forum, a quarterly meeting open to anyone to attend.

### ● Implementation and Action

The establishment of a Framework Delivery Group, defined ways of working and defined governance will guide the Framework programme forward in an efficient manner. This will ensure that there is representation from relevant stakeholders and that work is driven forward in a responsible way, whilst maximising outcomes across the West Midlands. More details on the Framework Delivery Group can be found in [Section 7](#).

Some packages and measures will require additional assessment, consultation, and funding. As such, there are varied levels of targeted delivery within the two-years this document covers. Typically, the implementation target for the larger and more complex packages and measures will be more towards feasibility and securing funding. This is to ensure that the packages and measures are appropriately appraised for impacts, communities are consulted and that the funding and resourcing is in place. This should not be seen as a lack of ambition, but as a drive to proceed with more complex action across the region as quickly as possible, in a way that is measured and can have the most meaningful impact. Detailed feasibility studies and business cases will also enable partner organisations such as WM-Air to assist with complex package appraisal to quantify the changes on communities and optimise health and economic outcomes.

Many of the engagement and behaviour change, communications and monitoring and digital packages can begin quickly and achieve early-stage to full implementation within the two-year period covered by this document. These packages have the potential to provide cost-efficient changes in behaviour that can reduce health impacts and make small changes to reduce emissions. Through secured DEFRA funding and the Framework, the increase in regional cooperation and coworking will provide a strong base to implement the larger regional packages and measures in the shortest timescales.

Finally, any projects and programmes will be subject to sign-off through the **WMCA's Single Assurance Framework**.

# 7. Governance and financing

To ensure that the Framework is delivering for the whole WMCA, we will establish an Air Quality Framework Delivery Group. The Group will form a core membership comprising the 7 constituent local authorities, WMCA and TfWM. This will also facilitate engagement with air quality partners (as identified in the Environment Act, 2021) as well as bringing additional expertise on board to support different air quality issues that are common to all partners.

Other relevant partners will either be included in the Framework Delivery Group itself or brought into task and finish groups to bring specific expertise forward as necessary. These additional partners could bring experience in relation to public health, environment, research and innovation. Suggestions made through the consultation process include:

- Public health (Directors of Public Health as well as the UK Health Security Agency)
- Local authority representation (air quality, behaviour change and net zero officers)
- Community group representation
- Political stakeholder (such as a member of the WMCA Environment and Energy Board)
- A member of the University of Birmingham’s WM-Air Team
- Business representative
- Birmingham Airport
- National Highways
- National Express
- National Rail
- West Midlands Fire Service

Terms of reference for the Framework Delivery Group will be established with a proposal to meet quarterly. The task and finish groups will enable specific stakeholders to come together around focused/ technical issues such as planning, procurement or monitoring and data.

It is important that the Framework Delivery Group compliments existing governance arrangements – this has been outlined in **Figure 5** below. This recognises that air quality is of interest to both the environment and transport portfolios at the WMCA. The incorporation of wider governance arrangements and their role within the Framework Governance will be agreed by the Framework Delivery Group.

Resourcing of the Air Quality Framework Implementation Plan will be critical for success. The DEFRA Air Quality grant, secured in March 2023, will support the implementation of some of the priority measures, especially in relation to behaviour change and establishment of a low-cost sensor network, and availability of data to support decision-making across the region. Bringing in experience from lessons learned in other project delivery, as well as consolidating the learning and sharing from projects delivered through the Framework Implementation Plan will be key. The successful delivery of other measures will be dependent on resourcing and business cases and subject to the WMCA Board approval. Financing and investment into delivery will be a central element of the Framework Delivery Group work.

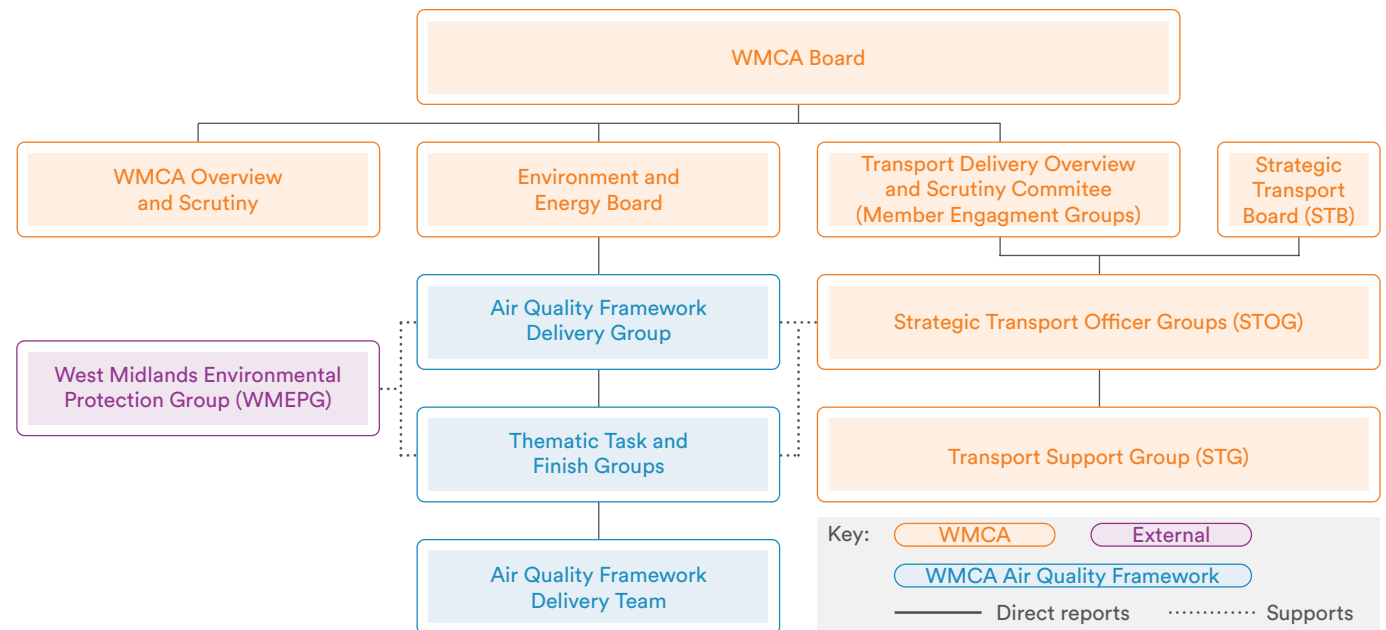


Figure 5: Proposed WMCA Air Quality Framework Governance Structure

## 8. How you can get involved

Delivery of the actions in the Air Quality Framework Implementation Plan will need to be a collaborative effort. As highlighted in **Figure 6**, there are multiple stakeholders that will be important in supporting action over the two years of this Plan, and then delivering the remaining ambition set out in the West Midlands Air Quality Framework.

We will seek to provide opportunities for information-sharing and collaboration as we deliver the Framework Implementation Plan. Some of these, including community engagement events and a conference, are part of an existing DEFRA-funded project.

If you would like to be kept up-to-date on our work on air quality, or would like to find out about how you could get more involved with delivery, then please email the WMCA Environment Team:



[environment@wmca.org.uk](mailto:environment@wmca.org.uk)



# Endnotes

- 1 Air Quality Framework. <https://www.wmca.org.uk/what-we-do/environment-and-energy/air-quality>
- 2 Air Quality Framework. <https://www.wmca.org.uk/what-we-do/environment-and-energy/air-quality>
- 3 Birmingham City Council, City of Wolverhampton Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council and Walsall Metropolitan Borough Council.
- 4 Cannock Chase District Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Redditch Borough Council, Rugby Borough Council, Shropshire Council, Stratford-on-Avon District Council, Tamworth Borough Council, Telford and Wrekin Council, Warwickshire County Council and Warwick District Council.
- 5 Environment Act 2021, c.30. Online: <https://www.legislation.gov.uk/ukpga/2021/30/contents>
- 6 The Environmental Targets (Fine Particulate Matter) (England) Regulations 2023 (SI 2023/96).  
Online: <https://www.legislation.gov.uk/uksi/2023/96/contents/made>
- 7 Department for Environment, Food and Rural Affairs (2023) Environmental Improvement Plan 2023.  
Online: Environmental Improvement Plan ([publishing.service.gov.uk](https://publishing.service.gov.uk))
- 8 DEFRA (2023) Air quality strategy: framework for local authority delivery.  
Online: <https://www.gov.uk/government/publications/the-air-quality-strategy-for-england/air-quality-strategy-framework-for-local-authority-delivery>
- 9 An extensive evidence base on the impact of PM2.5 on health is outlined within the Chief Medical Officer's annual report 2022.  
Online: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1124738/chief-medical-officers-annual-report-air-pollution-dec-2022.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1124738/chief-medical-officers-annual-report-air-pollution-dec-2022.pdf)
- 10 Department of Health and Social Care (2022) Chief Medical Officer's 2022 Annual Report: Air Pollution. Online Chief Medical Officer's annual report 2022: air pollution - GOV.UK ([www.gov.uk](http://www.gov.uk))
- 11 Mitsakou C et al. (2022) UK Health Security Agency Chemical Hazards and Poisons Report Issue 28 – June 2022: Updated mortality burden estimates attributable to air pollution. Online: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1083447/CHaPR\\_AQ\\_Special\\_Edition\\_2206116.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083447/CHaPR_AQ_Special_Edition_2206116.pdf)
- 12 Zhong J et al. (2021) Atmosphere 2021, 12(8), 983: Using Task Farming to Optimise a Street-Scale Resolution Air Quality Model of the West Midlands (UK). Accessed online: <https://www.mdpi.com/2073-4433/12/8/983>
- 13 WM-Air (2022) Air Quality in the West Midlands: Option Paper Online: <https://governance.wmca.org.uk/documents/s6510/Appendix.pdf>
- 14 Wood Group UK (2022) Study to identify potential measures to reduce future PM2.5 concentrations to inform PM2.5 target development.  
Online: [https://uk-air.defra.gov.uk/assets/documents/reports/cat09/2302091627\\_Wood\\_Sector\\_Review\\_Report.pdf](https://uk-air.defra.gov.uk/assets/documents/reports/cat09/2302091627_Wood_Sector_Review_Report.pdf)



## Appendix A - Glossary

Table A.1 – Glossary of Terms

Term	Meaning
Air quality (dispersion) model	An air quality dispersion model is a computer-based tool to predict how pollutants emitted from various sources, such as roads and industry disperse and affect the air quality in a specific geographic area. The models require various inputs including meteorological data, traffic data and emission inventory data to predict pollutant concentrations over a set time period (usually one year). They are predictions as there is inherent uncertainty and variability, however this can be minimised by using accurate inputs and validating models against known concentrations. Predicted data can be used to estimate pollutant concentrations in the future, however they are subject to greater uncertainty.
Ambient air quality	The quality of the air in the outdoor environment
AQAP	Air Quality Action Plan - a comprehensive strategy developed and implemented by local authorities to address air quality issues and improve air quality within a specific area, typically an Air Quality Management Area. These plans are a key component of the Local Air Quality Management process and are designed to mitigate air pollution and protect public health and the environment.
AC/LAT	A tool developed by WM-Air to estimate the future health and healthcare costs and benefits associated with changes in fine particulate matter and nitrogen dioxide concentrations in the West Midlands Combined Authority area.
AQMA / Air Quality Management Area	A designated area in the United Kingdom where air quality objectives and standards for specific air pollutants are not being met or are at risk of not being met. Local authorities declare Air Quality Management Areas to address and manage air quality issues in certain locations. The primary purpose of designating an Air Quality Management Area is to take targeted actions to improve air quality within that specific area.
ASR	Annual Status Report - a document that provides an overview of air quality in a specific area, typically at the local authority level. Local authorities are responsible for monitoring and assessing air quality within their jurisdictions, and the ASR is a key component of the Local Air Quality Management process.
Automatic air quality monitor	A device or system designed to continuously and automatically measure and record various air quality parameters in the ambient environment. Typically, these are of 'reference' or 'reference equivalent' standard and can provide the most accurate monitoring data when properly calibrated and maintained.
Biomass (combustion)	Organic materials, typically of plant or biological origin, that can be burned to produce heat or energy. Biomass combustion involves the burning of these organic materials, such as wood, agricultural residues, and other bio-based fuels, to generate heat, electricity, or other forms of energy. The burning of sustainable biomass is seen by some as one net zero solution, however there are local and regional air quality issues associated with the burning of biomass due to the releases of pollutants such as particulate matter. Using log burning appliances to burn biomass within the home presents a major risk to health due to the pollutants released both indoors and outdoors.
CAZ / Clean air zone	An area where specific measures and regulations are put in place to improve air quality by reducing air pollution. The primary objective of a Clean Air Zone is to limit the impact of harmful air pollutants, particularly in areas where pollution levels exceed established legal limits. There are range of classes from A to D, where Class A enforces the least restrictions and Class D enforces the most restrictions on vehicle types. The Birmingham clean air zone is a Class D.

Table A.1 – Glossary of Terms

Term	Meaning
Constituent local authorities	WMCA member local authorities with full voting rights. This is comprised of Birmingham City Council, City of Wolverhampton Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council and Walsall Metropolitan Borough Council.
DEFRA	Department of Environment, Food and Rural Affairs
DLUHC	Department for Levelling Up, Housing and Communities
Domestic combustion	Primarily the burning of solid fuels in homes for heating and cooking purposes. It typically involves the use of open fires, wood-burning stoves, coal fires, and other forms of solid fuel heating and cooking appliances within residential properties. The combustion of solid fuels in households can be a significant source of air pollution, particularly in areas with a high prevalence of such practices. It also includes the use of gas appliances for cooking and heating.
FDG	Framework Delivery Group
FFP / Framework Implementation Plan	The document containing the priority work packages and measures for implementation between 2023 and 2025 and is based on this Framework Document and inputs from consultees.
Fraction of mortality attributable to particulate air pollution	A metric used to estimate the proportion of premature deaths within a population that can be attributed to exposure to particulate air pollution.
Greener Together Citizens' Panel	A group of 30 citizens of the West Midlands who are participating in a Panel to deliberate on some of the climate and environmental issues facing the West Midlands. More information on the Panel, and the selection process, can be found here: Greener Together Citizens Panel ( <a href="http://wmca.org.uk">wmca.org.uk</a> )
Guiding principles	A set of considerations proposed by the WMCA Greener Together Citizens' Panel that should be used as part of the detailed assessment and implementation of Framework options, work packages and measures.
Indoor air quality	The condition of the air within indoor spaces, such as homes, offices, schools, and other enclosed environments. It encompasses the presence and concentration of various pollutants and contaminants in the indoor air and their potential impact on the health, comfort, and well-being of occupants. Maintaining good indoor air quality is essential for creating a healthy and comfortable indoor environment.
LA	Local authority
LAQM / Local Air Quality Management -	A framework established under the Environment Act 1995 to assess and manage air quality at the local level. It is designed to monitor and improve air quality in areas where pollution levels may be a concern.
LEZ	Low Emission Zone
Low-cost sensor	A relatively affordable device designed to measure and monitor various air pollutants in the surrounding environment. These sensors are intended for widespread deployment, enabling individuals, communities, and organizations to access real-time or near-real-time data on air quality. While they may not provide the same level of accuracy as certified monitoring equipment, they serve as valuable tools for raising awareness about local air quality issues and for promoting citizen engagement in environmental monitoring efforts.

Table A.1 – Glossary of Terms

Term	Meaning
LTP	Local Transport Plan
MCDA	Multi-criteria decision analysis - a structured decision-making approach that helps individuals or organizations evaluate and prioritize various options or alternatives when faced with complex decisions involving multiple, often conflicting, criteria or objectives. Multi-criteria decision analysis provides a systematic framework for assessing, comparing, and ranking these alternatives to make informed choices.
Measure	A Framework option that has been selected for implementation.
NAEI / National Atmospheric Emissions Inventory	Estimates of the annual pollutant emissions within the UK based on a range of data sources.
NH <sub>3</sub> / Ammonia	A gas emitted from primarily agriculture that can play a major role in secondary particulate matter formation and have an impact on ecological receptors.
NO <sub>2</sub> / Nitrogen dioxide	A gaseous component of air pollution and is often produced by the combustion of fossil fuels, such as in car engines and power plants.
Non-constituent local authorities	WMCA member local authorities with reduced voting rights. This is comprised of Cannock Chase District Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Redditch Borough Council, Rugby Borough Council, Shropshire Council, Stratford-on-Avon District Council, Tamworth Borough Council, Telford and Wrekin Council and Warwickshire County Council. It also includes Warwick District Council as an observer with no voting rights.
NO <sub>x</sub> / Nitrogen oxides	A collective term used to refer to a group of reactive nitrogen oxide, primarily nitric oxide (NO) and nitrogen dioxide (NO <sub>2</sub> ).
NPPF / National Planning Policy Framework	A planning policy document used in England to guide the planning and development process. The National Planning Policy Framework sets out the government's planning policies for local authorities and decision-makers, providing a framework for making planning decisions and shaping land use and development across England.
NZ / Net zero	Refers to the balance between the amount of greenhouse gases emitted into the atmosphere and the amount removed from the atmosphere. Achieving net zero means that the total emissions of greenhouse gases are equal to the total removal of these gases from the atmosphere, effectively resulting in no additional increase in the concentration of greenhouse gases. This balance is crucial in the fight against climate change, as it aims to limit global warming to well below 2 degrees Celsius above pre-industrial levels, in line with the goals of the Paris Agreement.
Option	A proposed action within the Framework that can be selected for use as a standalone or combined into a work package for implementation.
PM / Particulate matter	A complex mixture of tiny solid particles and liquid droplets suspended in the air. These particles vary in size, composition, and origin and can have significant effects on air quality, human health, and the environment.
PM <sub>10</sub>	Particulate matter with an aerodynamic diameter of less than 10 micrometres.
PM <sub>2.5</sub>	Particulate matter with an aerodynamic diameter of less than 2.5 micrometres. Also known as fine particulate matter.

Table A.1 – Glossary of Terms

Term	Meaning
Primary pollutants	Pollutants that are emitted directly into the atmosphere because of human activities or natural processes. These pollutants are released in their original form and are not the result of chemical reactions in the atmosphere. An example of a primary pollutant are gases such as NO <sub>2</sub> produced during combustion.
RAG / Red-amber-green	A traffic light rating system used to indicate the status of a variable using red, amber or green.
SCA / Smoke control area	A designated area where you cannot release smoke from a chimney; and you can only burn authorised fuel, unless you use an appliance approved by Defra. There are also penalties that can be applied if your chimney releases smoke in a smoke control area or if you buy unauthorised fuel to use in an appliance that's not approved by Defra.
Secondary pollutants	Pollutants that are not emitted directly into the atmosphere but are formed in the atmosphere through chemical reactions involving primary pollutants, atmospheric constituents (like sunlight, water vapor, and oxygen), and sometimes natural sources. An example of this is secondary particulate matter that is formed from ammonia due to reactions in the air.
TfWM / Transport for West Midlands	The public body responsible for co-ordinating transport services within the WMCA area.
UK	United Kingdom
VOC	Volatile Organic Compounds
WHO / World Health Organization	A specialised agency of the United Nations responsible for international public health.
WM-Air	The West Midlands Air Quality Improvement Programme – WM-Air is a NERC funded initiative, led by the University of Birmingham.
WMCA / West Midlands Combined Authority	West Midlands Combined Authority a regional governing body and partnership in the United Kingdom, established to promote economic growth, infrastructure development, and improved public services in the West Midlands region. It was created as part of the government's devolution agenda to empower regions and cities in England with greater decision-making powers and control over local issues. It was established by statutory instrument under the Local Democracy, Economic Development and Construction Act 2009.
Work package	A group of measures brought together to form a larger package of work.
µm / Micrometre	One thousandth of a millimetre.

## Appendix B – Proposed Government Priorities and Actions

The *Air quality strategy: framework for local authority delivery* policy paper provides an overview of the Government's priorities and actions to address air quality issues. The actions will shape changes on a national scale and the West Midlands Air Quality Framework sits below it to realise change on a regional scale.

The priorities are:

- *Planning reforms helping to deliver on air quality.*
- *Building capacity in local councils through training, guidance and knowledge sharing.*
- *Reducing emissions from industrial sources through improved enforcement of environmental permits.*
- *Reducing pollution from domestic burning through smoke control areas and cleaner fuels.*
- *Raising awareness within local communities of air quality impacts and how to reduce them.*
- *Boosting active travel and public transport to improve air quality.*

The actions for the government are as follows:

- *The government will align air quality reporting zones with local government boundaries, to empower councils, increase transparency and accountability.*
- *The government will work with local authorities to improve the UK-Air website and other air quality web services.*
- *The government will look to strengthen the effect of Smoke Control Areas. We will consult on tougher stove standards for Smoke Control Areas, potentially lowering the smoke limit for newly installed stoves from 5g smoke per hour.*
- *We will consult on tougher emission standards for Manufactured Solid Fuels reducing both smoke emissions and sulphur levels.*
- *We will explore policies to incentivise a shift from older, more polluting devices towards newer appliances which meet our tough new emission standard.*
- *We will provide updated guidance, templates, and information to support local authorities in reducing emissions from domestic burning.*
- *We will continue to roll out the UK best available techniques framework for large and medium industry, and develop it further to cover new technologies*
- *We are exploring a similar approach for smaller industrial installations, allowing out-dated regulatory standards to be updated more frequently.*
- *We will consider closer alignment between the Local Air Quality Management and permitting regimes, so that swifter, more complementary action can be taken to resolve local air quality issues.*
- *We will consider how to boost local authority regulatory capacity and capability including exploring how the fees and charges system can be improved to provide better cost recovery.*
- *We will require that an increasing proportion of car and van sales from each manufacturer are zero tailpipe emission from 2024 onwards.*
- *We are investing in research programmes to develop methods to prevent or reduce emissions from non-exhaust vehicle sources, such as brake and tyre wear.*

- *Through Active Travel England, we will continue to support cycling and walking.*
- *We will consider actions to improve air quality on the Strategic Road Network as part of developing the next Road Investment Strategy 2025 to 2030.*
- *The government will consult on bringing dairy and intensive beef farms within scope of environmental permitting.*
- *We will continue to issue funding to invest in slurry storage infrastructure to reduce ammonia emissions, with an increased budget of £33.9 million made available in April 2023 and two further rounds to follow.*
- *We will consult on new rules to reduce ammonia emissions from organic manure, including requirements for low emission techniques for slurry and digestate spreading.*
- *The government will develop new guidance on mould and damp for the housing sector.*
- *The government has launched the Air Quality Information System review in December 2021. The remit of the two-year review is to provide a series of actionable, evidence-based improvements which could be made to the government's provision of air quality information.*
- *The government will develop a best practice guide on outdoor burning that can be provided to members of the public to help reduce emissions.*
- *The government will share communications assets and other material of wider relevance with local authorities to use in their own communications.*
- *We will consult further on the detail of a combined design stage emission prevention and quantitative assessment approach.*
- *The government will continue considering the responses to the recent National Planning Policy Framework consultation which closed on 2 March 2023.*

## Appendix C – Framework Contributors and Consultees

Table C.1 - Core Contributors and Consultees (to date)

Organisation	WMCA	TfWM	WM-Air at the University of Birmingham	Constituent Local Authorities (Air Quality)	WSP
Members	<p>Alex Jones (WMCA Air Quality Framework Lead/WSP),</p> <p>Jackie Homan (Head of Environment) and</p> <p>Mike Webb (Natural Capital Programme Manager).</p>	<p>Jake Thrush (Associate Policy Adviser).</p>	<p>William Bloss (WM- Air Lead),</p> <p>Joe Acton (WM-Air Impact Fellow) and</p> <p>Catherine Muller (Project Manager).</p>	<p><b>Birmingham:</b> Mark Wolstencroft (Operations Manager Environmental Protection), Paul Burns (Environmental Protection Officer) and Peter Mackintosh (Air Quality Projects Officer).</p> <p><b>Coventry:</b> Neil Chaplin (Principal Environmental Protection Officer) and Steve Dewar (Environmental Health Officer).</p> <p><b>Dudley:</b> Ruth Burgin (Pollution Control Officer) and Ian Grove (Principal Environmental Health Officer).</p> <p><b>Sandwell:</b> Elizabeth Stephens (Senior Environmental Health Officer) and Sophie Morris (Public Health Specialist- Air Quality and Climate Change).</p> <p><b>Solihull:</b> Nick Laws (Senior Public Health Specialist) and Amanda Clover (Senior Development Officer).</p> <p><b>Walsall:</b> John Grant (Environmental Protection Manager) and Curtis Dean (Environmental Protection).</p> <p><b>Wolverhampton:</b> Shaun Walker (Service Lead – Environmental Crime).</p>	<p><b>Air Quality:</b></p> <p>Bethan Tuckett- Jones (Head of Profession for Air Quality), Joanna Rochfort (Air Quality Team Lead), Peter Walsh (Technical Director), Andy Talbot (Associate Director), Sioni Hole (Principal Consultant) and Lee Shelton (Principal Consultant).</p> <p><b>Behaviour Change:</b> James Knoll-Pollard (Behavioural Design Lead).</p> <p><b>Planning:</b> Michael Wood (Technical Director).</p> <p><b>Ecology:</b> Joe Franklin (Associate Director), and Vaughn Lewis (Consultant).</p>

Table C.1 - Core Contributors and Consultees (to date)

Organisation	WMCA	TfWM	WM-Air at the University of Birmingham	Constituent Local Authorities (Air Quality)	WSP
Framework working group	✓	✓	✓	✓	
Option Pre-Screen	✓				
Optioneering and Advisory	✓	✓	✓	✓	
RAG	✓	✓			
MCDA	✓	✓	✓	✓ (Represented by Sophie Morris)	✓ (Represented by Andy Talbot)
Option Preferences	✓				



Table C.1 - Core Contributors and Consultees (to date)

Organisation	Members
WMCA	Katie Jepson (Environment Behaviour Change Project Officer), Ed Cox (Executive Director - Strategy, Integration and Net Zero) Richard Rees (Senior Programme Manager – Environment), and Tatum Matharu (Strategic Lead for Health Inequalities).
WMCA Panels / Groups	Transport Support Group (TSG - Heads of Service of the local authority transport departments and TfWM policy officers), Strategic Transport Officers Group (STOG - Directors of Transport Departments and TfWM Policy, Strategy and Innovation Department Director) and Transport Delivery Committee (TDC) Air Quality, Congestion and Environmental Sustainability Member Engagement Group, West Midlands Environmental Protection Group (WM-EPG).
TfWM	David Harris (Transport Strategy and Place Manager), Alex Greatholder (Principal Policy and Strategy Officer), Liam Edge (Transport Data Researcher), Claire Williams (Head of Cycling and Walking), Mitchell Robinson (Cycling and Walking Development Officer), Stuart Lester (Head of Transport Data), Helen Osborn (Travel Behaviour Specialist) and Gill Hunt (Travel Behaviour Specialist).
WM-Air at the University of Birmingham	Suzanne Bartington (WM-Air Health Effects Strand Lead) and Jian Zhong (WM-Air Model Development).
Constituent Local Authorities – Non air quality officers	<p><b>Birmingham:</b> Maria Dunn (Head of Development Policy), Sarah Scannell (Planning Assistant Director), Uyen-Phan Han (Planning Policy Manager), Chris Baggot (Public Health Service Lead) and Claire Humphries (Senior Public Health Officer).</p> <p><b>Coventry:</b> Alicia Phillips (Programme Manager for Inequalities in Built Environment), Emily Stewart (Programme Officer for Inequalities in Built Environment) and Angelia Baker (Consultant in Public Health and Inequalities).</p> <p><b>Dudley:</b> Joanne Todd (Development Manager).</p> <p><b>Solihull:</b> Mark Andrews (Head of Planning, Design and Engagement Services).</p> <p><b>Wolverhampton:</b> Perminder Balu (Head of Green Cities and Circular Economy).</p>

We acknowledge and thank the attendees of the Framework consultation workshop. The full list of attendees on the day is as follows:

- Maddy Dawe (Asthma + Lung UK)
- Maria Dunn (Birmingham City Council)
- Claire Humphries (Birmingham City Council)
- Peter Mackintosh (Birmingham City Council)
- Stephen Arnold (Birmingham City Council)
- Ian Braddock (Birmingham City Council)
- Waseem Zaffar (Clean Air Justice Network)
- Emily Stewart (Coventry City Council)
- Ruth Burgin (Dudley MBC)
- Ian Grove (Dudley MBC)
- Christopher King (Dudley MBC)
- Gordon Allison (DustScanAQ on behalf of South Coast Science)
- Chris Taylor (EarthSense Systems Limited)
- David Green (EarthSense Systems Limited)
- Greg Lewis (EarthSense Systems Limited)
- Kirsten de Vos (Mums for Lungs)
- Charlotte Harris (NHS England)
- Sophie Morris (Sandwell Council)
- Lucy Bastin (School of Computer Science, Aston University)
- Nick Laws (Solihull MBC)
- Amanda Clover (Solihull MBC)
- Tim Egan (Sustrans)
- David Clasby (Sustrans)
- Ninette Harris (The Dudley Group NHS Foundation Trust)
- David Harris (Transport for West Midlands)
- Jake Thrush (Transport for West Midlands)
- Catherine Muller (University of Birmingham)
- Joe Acton (University of Birmingham)
- William Bloss (University of Birmingham)
- Zongbo Shi (University of Birmingham)
- Sue Jowett (University of Birmingham)
- James Hall (University of Birmingham)
- Damilola Agbato (Walsall MBC)
- Pat Fleming (Walsall MBC)
- Matthew Griffin (West Midlands Combined Authority)
- Bethany Haskins-Vaheesan (West Midlands Combined Authority)
- Jordan Gerrard (West Midlands Combined Authority)
- Nathan Morrison (West Midlands Combined Authority)
- Richard Rees (West Midlands Combined Authority)
- Grace Scrivens (West Midlands Combined Authority)
- Jackie Homan (West Midlands Combined Authority)
- Katie Jepson (West Midlands Combined Authority)
- Ritvick Nagar (West Midlands Combined Authority)
- Alex Jones (West Midlands Combined Authority/WSP)
- Liz Hopkins (West Midlands Fire Service)
- Ian Greatbatch (West Midlands Fire Service)
- John Newson (West Midlands Friends of the Earth)
- Joanna Rochfort (WSP)



## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	WMCA Homelessness Taskforce: Update and Key Priorities
<b>Portfolio Lead</b>	Councillor Kerrie Carmichael - Inclusive Communities  The Portfolio Lead has worked in consultation with Councillor David Welsh – Chair of the WMCA Homelessness Taskforce Members Advisory Group
<b>Accountable Chief Executive</b>	Laura Shoaf - WMCA  The Accountable Chief Executive and Portfolio Lead have worked in consultation with Jean Templeton - Independent Chair of the WMCA Homelessness Taskforce
<b>Accountable Employee</b>	Ed Cox, Executive Director - Strategy, Economy & Net Zero  Neelam Sunder, Senior Programme Manager - Homelessness
<b>Report has been considered by</b>	WMCA Executive Board - 25 October 2023  Overview & Scrutiny Committee – 6 November 2023

### The WMCA Board is recommended to:

1. Note that the homelessness being experienced by vulnerable citizens across the WMCA region is actively inhibiting our ability to create a more prosperous, fairer and **IN**clusive region for all, and that the Homelessness Taskforce has been one of the means by which the WMCA and its partners have collaborated to address this.
2. Consider how the WMCA and its partners can align efforts to accelerate progress towards our joint aim of designing out homelessness in all its manifestations, including by continuing to embed homelessness prevention into the mainstream strategies, processes, and programmes of the WMCA through cross-directorate activity and endorsing the Taskforce's adoption of a broader focus on all forms of homelessness.

3. Endorse the Homelessness Taskforce's identified priorities for 2023/24 and beyond, including specific actions to commission a suitably experienced and qualified organisation to help investigate and articulate an evidenced based economic case; and to consider how we can jointly lobby government to improve the current Local Housing Allowance (LHA) model.

## 1. Purpose

- 1.1 The purpose of this paper is to update and engage WMCA Board members on the current work programme and priorities of the WMCA Homelessness Taskforce.

## 2. Background

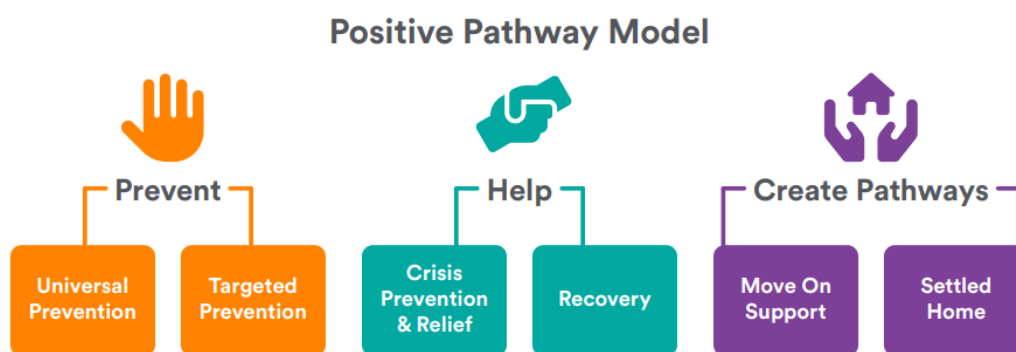
### Forming the WMCA Homelessness Taskforce

- 2.1 Homelessness is the ultimate exclusion for citizens and has far-reaching consequences for those affected and for local communities.
- 2.2 Homelessness is not a devolved responsibility to the Mayor of the West Midlands or West Midlands Combined Authority (WMCA), nor specifically funded. The primary responsibility and statutory duty for homelessness sits at local authority level. However, it was a key electoral issue during the first Mayoral elections due to the increase in rough sleeping at that time. This led to the Mayor setting up the Homelessness Taskforce during his first week with a commitment to bring together organisations, people and resources to support and **add value** to the work of our local authorities and other partner organisations that are involved in the prevention and relief of homelessness.
- 2.3 Two years after its formation, **the WMCA Board agreed in 2019 to 'mainstream' the work of the Homelessness Taskforce, taking it from being a Mayoral manifesto pledge into the core business of the WMCA.** At this stage, the Taskforce and its objectives were adopted within the mainstream structures of the WMCA.
- 2.4 Today, the Homelessness Taskforce membership includes all seven constituent local authorities of the WMCA, representation from non-constituent local authorities, key public sector agencies including Police, Fire, Health, DWP, Homes England; not for profit sector including West Midlands Housing Association Partnership, National Housing Federation, Crisis, Women's Aid, YMCA and representation from the Business Community. In addition, there is a Members Advisory Group made up of Cabinet Members with responsibility for homelessness from each of the seven constituent authorities, bolstering political leadership and accountability.

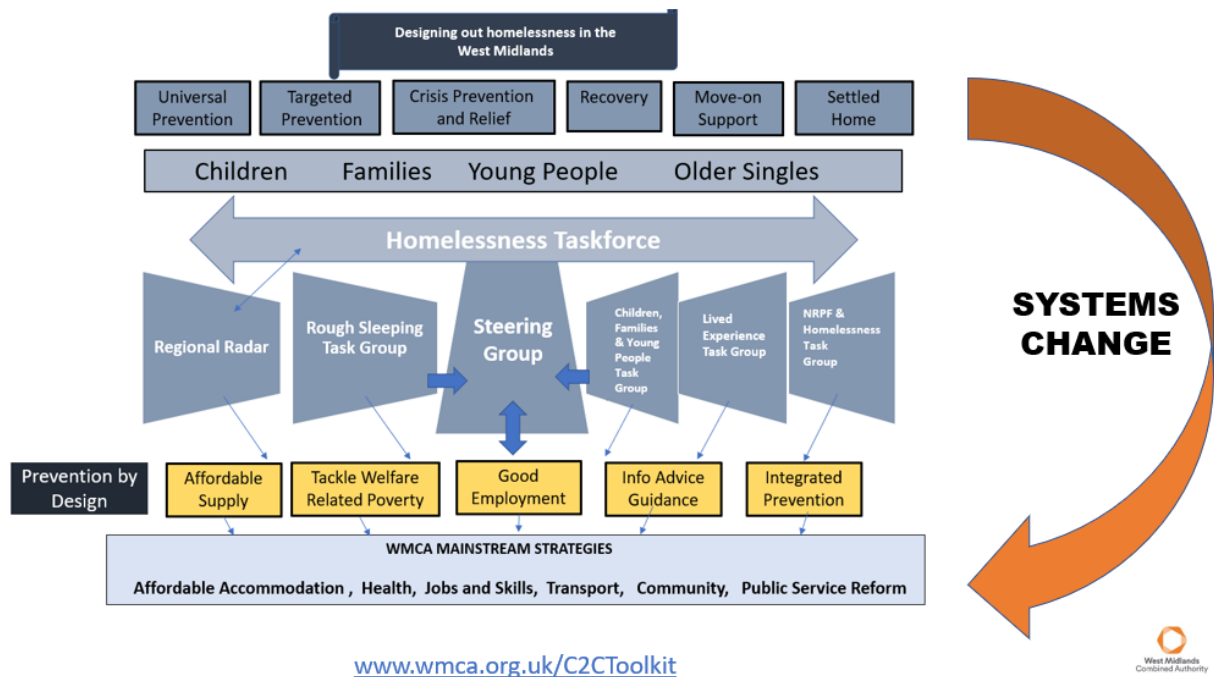
### The Taskforce's ambition, aims and approach

- 2.5 The Homelessness Taskforce's strategic objective is to **design out homelessness** in all its forms, and to promote sustainable and meaningful **IN**clusion for all citizens of the WMCA region.

- 2.6 The reality however for some of our citizens is that they experience the exact opposite of **IN**clusion. Life circumstances for people with fewer social networks and resources, on lower incomes, in unstable accommodation, with physical and/or mental ill-health can put their lives into crisis, where circumstances and systems responses to those circumstances create a cycle of exclusion that results in citizens being further and further away from creating and sustaining a meaningful and safe life - in many instances leading to citizens losing their home and facing the ultimate exclusion that is homelessness.
- 2.7 The Taskforce's ambition to design out homelessness is based on the principle that we need a shared regional approach to tackling structural inequalities, which cuts across sectors and disciplines, focussing on how service systems respond to people's needs and how service systems inter-relate with each other so that they are inclusive of everyone, irregardless of life circumstances.
- 2.8 To help make sense of this critical challenge, the Taskforce has taken a life-course approach using an adapted version of the Positive Pathway Model, examining what we have in place and where the gaps exist, for children and families, young people, and older people, paying particular attention to those who are serially excluded.



- 2.9 Most homelessness or homelessness-related service systems are focused on the 'help' space of the model, when people are either already homeless or at immediate risk of being so. Therefore, in designing out homelessness, the purpose of the Taskforce has been to identify conditions for systems change which prevent homelessness at the earliest possible opportunity, deliberately considering what more can be done in the 'prevention' and 'create pathways' spaces to keep people **IN**cluded. If we can keep people in our systems, the less likely they are to become homeless.
- 2.10 This approach is encapsulated by the 'plan on a page' below, which sets out the work programme and **five objectives** which underpin all of the Taskforce's activity and resolve to embed the designing out of homelessness into the mainstream strategies of the WMCA.



2.11 The Homelessness Taskforce has sought to undertake activities with its local authority partners that are relevant and complementary to local strategies and commissioned services. When there has been added value to be gained, the Taskforce has played a pivotal role in convening, commissioning and coordinating activity right across the region.

2.12 This activity has included organising joint bids for example, to the Department for Levelling Up, Housing and Communities (DLUHC) to secure additional investment through programmes such as the National Housing First Pilots, Rough Sleeping Accommodation Programme and Rough Sleeping Initiative that have allowed us to work with our local authorities and their partners to:



2.13 The ‘litmus’ test for all that we do includes:

- First and foremost, that we should add value to the work of our partners and not add work to already stretched services and organisations
- That our activity should not duplicate what others are already doing
- That our activity is always focused on ultimately designing out homelessness

2.14 An important part of the Taskforce's collaborative approach is the Members Advisory Group (MAG). The MAG meets each quarter where Members receive briefings, provide advice to workstreams and contribute relevant local knowledge and insight into policy issues impacting on homelessness across the region. The MAG critically acts as a conduit for embedding the work of the Homelessness Taskforce within local authority areas, taking responsibility for unblocking barriers to change. The MAG takes a bipartisan approach and as such has demonstrated its effectiveness as a lobbying group with central government, and other national bodies, providing a cross party and cross authority perspective on often complex issues spanning homelessness and housing; employment and skills; and health and communities.

## Achievements

2.15 In the 6 years since its inception in 2017, the Homelessness Taskforce and its partners have continued delivering the Taskforce's 'plan on a page', making significant contributions to our ambition of designing out homelessness across the region. A few examples of what our joint work has achieved includes:

- Attracting additional funding in excess of £20 million for the region to tackle homelessness through the Rough Sleeping Initiative, Rough Sleeping Accommodation Programme and Housing First
- Agreeing and implementing a West Midlands definition of what affordable housing is - one that reflects local incomes both from work and benefits to maximise the level of affordable housing within developments
- Using Adult Education Budget flexibilities to run sector-based work academies specifically for roles in homelessness, focusing on transferable skills for available jobs
- Publishing IAG resources for veterans, faith and community organisations, and businesses to maximise their impact in designing out homelessness
- Rolling out [Change into Action](#) in 6 local authority areas, supporting circa 700 individuals to move away from rough sleeping
- Investing in [Street Support Network](#) across the region to provide a directory of homelessness and housing related services for people looking to find and give help
- Support to cross sector organisations to use the [Commitment to Collaborate \(C2C\) Toolkit](#)

## Homelessness in the WMCA

2.16 The top three headline reasons for homelessness presentations at local authorities have remained consistent since the inception of the Homelessness Taskforce:



Family or friends can no longer accommodate

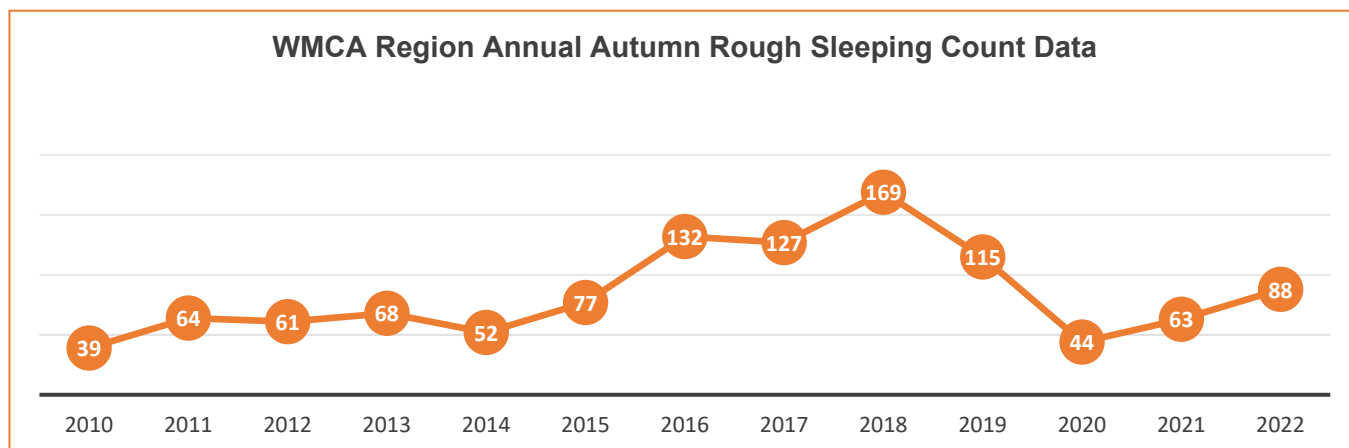


Ending of assured short hold tenancies



Relationship breakdown

2.17 A minority of people who become homeless end up sleeping rough. For most of the last decade, the headline trends for the WMCA area have showed an increase in rough sleeping from 39 in 2010, rising to 132 in 2016, and peaking at 169 in 2018. However, numbers of affected people declined significantly in 2019 and 2020. The figures for the WMCA region in the 2020 rough sleeping count showed a decrease in the number of people found to be rough sleeping from 115 to 44; the lowest number in 10 years.



2.18 Conversely data from the autumn 2021 and 2022 rough sleeping snapshot showed an increase. This reflects the exceptional circumstances of lockdowns in 2020 which had been lifted in 2021 making the environment more challenging. It is our analysis that it is too early to ascertain whether we have reached a peak in the numbers of people rough sleeping in the region, the autumn 2023 snapshot counts will provide a clearer picture.

2.19 It is important to acknowledge that homelessness and the risk of homelessness is not confined to rough sleeping. This **visible** form of homelessness is just the tip of the iceberg, which is why the Homelessness Taskforce is concerned with all forms of homelessness. The reality of homelessness is much broader than rough sleeping and there are many **hidden** forms of homelessness that are harder to see and affect many more citizens including:

- ‘Homeless at home’ e.g. overcrowding, unfit habitation
- Squatting
- Families with children in temporary accommodation, refuge, hotels and B&B
- Individuals staying in night shelters, hostels and supported accommodation
- Sofa surfing (sleeping on friend’s sofas) and other unstable solutions including intermittent hospital and prison stays

2.20 Whilst many people in the above situations may have a roof over their head, that is not the same as having a secure and stable home.



- 2.21 Recent statutory homelessness data published by the Department for Levelling Up, Housing and Communities (DLUHC) showed that between September 2022 and March 2023 there was a 24% increase in the number of households assessed as being owed a homelessness duty across the WMCA region, compared to a 7% increase across England. This suggests that the pressures being experienced in the region are disproportionate and significantly higher than the national average. In March 2023 the same dataset showed that there were 5,576 homeless households, including 11,076 children, across the WMCA region living in Temporary Accommodation (TA); equating to a 7% increase compared to data for September 2022. This continuing rise of households having nowhere permanent to live is of great concern.
- 2.22 While TA for all household types is an integral part of homelessness provision, it presents real challenges to households using it. Research commissioned by the Homelessness Taskforce in 2021 to better understand the experience of families in TA showed that living in unsettled housing, the uncertainty, not being able to put down roots, with no permanent address can lead to a sense of 'living in limbo'. Unsurprisingly, the toll on the mental health of family members living in TA was reported by many of those interviewed as part of this research. For example, restrictions on the use of gardens in family units, and no privacy for parents or children, affected the wellbeing of the whole family.
- 2.23 Furthermore, families often have to move out of their local area to access TA which can take them away from friends and support networks. The research pointed to specific impacts on children around schooling. We heard examples from families and stakeholders of families being moved to TA far away from their children's schools, which had had a detrimental effect on attendance and performance.
- 2.24 There are many factors contributing to the rise in homelessness presentations and use of TA, but one critical factor identified by all of our Local Authorities is the level of Local Housing Allowance (LHA). The contextual evidence from our Local Authorities and wider partners indicates that low LHA rates are connected with increased levels of homelessness and is making the prevention and relief of homelessness even more difficult. Whether that be in initial prevention of homelessness or helping families in TA to move on to secure housing quickly.
- 2.25 LHA was originally designed to help make the private rented sector accessible and sustainable for households on benefits and low incomes. The LHA rate was set with the aim that the rent element of benefits would cover the full rental cost of 30% of private sector properties in any given area.
- 2.26 Data provided by Crisis and Zoopla clearly demonstrates that for all regions of England this aim is not being achieved. The most recent data for the WMCA region, as at the end of March 2023, shows that only 3% of private rented properties are currently affordable at LHA rates, falling significantly short of the intended 30%.
- 2.27 The assumptions that underpin the work of the Homelessness Taskforce, for example the logic chain on which the Positive Pathway Model is built, would suggest that households having affordable access to a higher percentage of the private rented sector is important for promoting household stability and preventing homelessness. Having accessible affordable secure housing is one of the most important protective factors for families and other households.

## Homelessness Taskforce Priorities for 2023/24 and beyond

2.28 The analysis above suggests the continuing need for both strategic and practical action across the region. The following areas of focus have been identified by the Taskforce as being our contribution to the current strategic and practical challenges as well as continuing to help progress our longer term aim to design out homelessness across the region:

- **Systemic Change** - homelessness comes about through a combination of structural and personal 'risk' factors, and the (in)ability of services and systems to come together to prevent and relieve homelessness well before a crisis occurs. To design out homelessness, is to affect change in service systems so that homelessness is prevented at the earliest opportunity – this is the hardest challenge. The Homelessness Taskforce is actively working with the WMCA Executive Board and Leadership Centre on further embedding the principles of designing out homelessness in all the work of the WMCA, so that the WMCA exemplify the Taskforce's ambition, and help enhance our ability to influence and support structural and systemic change across the region.
- **Equalities & Diversity** – linked to the Children, Families and Young People priority below, we are undertaking some joint work with the West Midlands Race Equalities Taskforce to generate a better understanding of the issues related to race equality, potential discrimination in service systems and the underlying reasons behind the disproportionate representation of some groups in homelessness services e.g. TA. We have secured commitment from Herriot Watt and the Oak Foundation to undertake a deep dive into our region. Linked to the systems change priority above, and the work being led by the WMCA Executive Board we are working with the WMCA Equalities & Diversity team to include an increased focus on homelessness impacts and opportunities for homelessness prevention as part of the WMCA Health and Equity Impact Assessment process.
- **WMCA Trailblazer Deeper Devolution Deal 2023** – the Taskforce is working in partnership with DLUHC & DWP on expanding the Live and Work model and piloting a Rent Simplification scheme for the region. DWP have secured £4.57m for the latter initiative. We have jointly developed a Proof of Concept project with DWP that will test financial support and simplification of the benefits system for 18-24 year olds living in supported housing who move into work or increase their working hours. This will help them to build their employment prospects further and work towards becoming financially independent and progress into move on accommodation in a planned way. In addition, we are also actively working across WMCA directorates to make the 'weave' across other Deal commitments related to Affordable Housing, Skills and Health.
- **Rough Sleeping** - until recently data to track rough sleeping has come primarily from the annual rough sleeping 'snapshot', which uses annual street counts to estimate the number of people sleeping out on a single night each autumn. While the snapshot is helpful in pointing out trends over time, we know that rough sleeping is complex - some people spend a single night out, others are rough sleeping for long periods of time and some have returned to rough sleeping after a period away. The single night count cannot adequately capture this complexity, and means we lack the insight needed to systematically ensure that rough sleeping is prevented wherever possible or, if it does occur, ensure that it is rare, brief and non-recurring. As early adopters of the government's new national data-led definition and rough sleeping framework, we have started to take a targeted data collection approach to tackling rough sleeping. The new set of indicators central to this approach will enable us to

better capture and understand the extent and nature of rough sleeping in each local authority area, and to use this information to target interventions more effectively.

- **Children, Families and Young People** – as a region we critically need to increase housing supply, making a robust case on how we can tackle barriers linked to accessibility and affordability. The Members Advisory Group asked the WMCA to commit resources to help the region demonstrate the economics of improving the LHA model, to help make the case to government. The Taskforce intends to shortly go out to tender to commission a suitable organisation to help us investigate and articulate the economic case for improving the current LHA model. Our assessment is that to maximise the chances of at least marginal reform of LHA rates we need to be able to articulate an evidence based economic case for change. To be impactful any such articulation would need to be both methodologically robust and include serious attention to the economics and cost benefits of the case for improving LHA rates. In short, we need to demonstrate that investing in raising LHA expenditure will contribute to the prevention of homelessness which in turn will help to reduce expenditure and upward pressure on related budgets. This work will deliver an up to date evidence based case that is methodologically sound and includes robust evidence of the cost benefits or return on investment of increasing LHA rates.
- **No Recourse or Restricted Recourse to Public Funds (NRPF)** - lobbying and influencing decisions regarding national responses and sharing good practice across service systems. This work includes working at a strategic level with partners across the region, such as the West Midlands Strategic Migration Partnership, as well as ensuring that organisations providing support to affected groups are well informed and are being heard, for example working with the plethora of Faith and Community Groups working in this space.
- **Lived Experience Task Group** – we have resolved to explore how we can better embed learning from lived experience across systems and within the work programmes of the Taskforce. We have formed a new Task Group that will actively seek to include the voice of lived experience to inform and add value to our work.

### 3. Strategic Aims and Objectives

3.1 The key driver of the region's homelessness prevention work is framed by the Homelessness Taskforce and the Inclusive Growth Framework. Designing out homelessness is an agreed strategic objective for the WMCA, identified within and aligned to Aims 2.2, 2.3, 5.1 and 5.2:

- To work with partners to identify and address the different barriers faced by our diverse communities
- To support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners
- To work with partners to understand their priorities, convene around shared opportunities, and deliver together
- To work with central government to gain new powers and resources for the region, including double devolution

#### **4. Financial Implications**

- 4.1 There are no immediate financial implications within this paper. A Senior Programme Manager and Associate to the Homelessness Taskforce is currently funded by the WMCA from the Inclusive Communities portfolio budget to support this work programme. The WMCA has also secured an additional £1.5m funding from DLUHC for the 3-year Rough Sleeping Initiative Programme through to March 2025, with another 3 roles directly supporting this programme.
- 4.2 Future work on progressing the 5 objectives and the specific priorities identified within this report may require further investment; this will be sourced through a variety of routes, including central government, grant providers, pro bono support, local authorities and WMCA. This will be considered and agreed on a case by case basis.

#### **5. Legal Implications**

- 5.1 The WMCA does not have specific statutory duties in relation to homelessness. These powers and duties remain with and are discharged by the constituent and non-constituent Local Authorities. No immediate legal implications have been identified. It is recognised however that this is a challenge which transcends individual authority boundaries and the issues identified touch upon a number of the powers of the Mayoral Combined Authority. The functions of employment, skills, health and communities, transport, strategy and economy, and facilitating the delivery of housing (including both market and affordable homes) across the region are all affected by, and in turn can have an influence over the causes and incidence of homelessness in the region.

#### **6. Single Assurance Framework Implications**









- 6.1 None.

#### **7. Equalities Implications**

- 7.1 The work of the Homelessness Taskforce targets some of the most vulnerable individuals in our communities and seeks to prevent homelessness in all of its forms. It has taken a person-centred life course approach to homelessness taking account of the demographics and equalities impacts for children and families, young people and older singles as well as those sleeping rough. We know that homelessness disproportionately affects some groups such as women and children, as well as those from some racialised communities. The Taskforce has specific workstreams aimed at better understanding the underlying reasons behind this disproportionate representation and how we can prevent and relieve homelessness for these groups.

#### **8. Inclusive Growth Implications**

- 8.1 The WMCA Board agreed in 2019 to 'mainstream' the work of the Homelessness Taskforce, taking it from a Mayoral manifesto pledge into business as usual. At this stage, the Taskforce and its objectives were adopted within the mainstream structures of the WMCA, including as one of the eight fundamentals of inclusive growth: affordable and safe places.

							
CLIMATE RESILIENCE	AFFORDABLE AND SAFE PLACES	CONNECTED COMMUNITIES	EDUCATION AND LEARNING	HEALTH AND WELLBEING	EQUALITY	INCLUSIVE ECONOMY	POWER, INFLUENCE AND PARTICIPATION
Reducing CO <sub>2</sub>	Designing out homelessness	Accessible resources and opportunities	Increased skills levels	Reduced health inequalities	Fewer people living in deprivation	Increased household income	Citizens feeling influential

8.2 The work of the Homelessness Taskforce as a whole also addresses several of the indicators on the Inclusive Growth Framework, notably Education and Learning; Health and Wellbeing; Equality; and Inclusive Economy. Its overall purpose is to strengthen the region's ability to support some of the most vulnerable people within the region and ensure that inclusive growth means inclusive for all, including those experiencing severe and multiple disadvantage.

## 9. Geographical Area of Report's Implications

9.1 The work of the Homelessness Taskforce spans across all seven constituent authorities of the WMCA. In addition, the non-constituent authorities are represented on the Homelessness Taskforce.

## 10. Other Implications

10.1 There are no other implications.

## 11. Schedule of Background Papers

11.1 None.

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## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	Update on HS2 Announcements and Network North Funding
<b>Portfolio Lead</b>	Transport - Councillor Mike Bird
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Anne Shaw, Executive Director Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>Report has been considered by</b>	WMCA Executive Board - 8 November 2023

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note the recent central Government announcements in relation to the cancellation of parts of HS2 as a national project and the reallocation of funding as specified in the Network North document published following the Prime Minister's speech at the Conservative Party Conference in October 2023.
- (2) Note that programmes and projects utilising this funding will follow the existing governance routes and will come back to the WMCA Board for decisions over £20m and the Investment Board for decisions below that amount.
- (3) Note that an assessment of the economic impacts for the region associated with these changes is being commissioned to help inform any future investment programmes and refresh of existing business cases that were predicated on the arrival of the full HS2 scheme and which will be subject to a future report to the Board.

## 1. Purpose

- 1.1 The purpose of this report is to update the Combined Authority board on the recent announcements relating to HS2 from Central Government; the reallocation of funding to the North and Midlands authorities; and the work being undertaken to assess the impacts on the region's economic outcomes as a consequence of these changes.

## 2. Background

- 2.1 Work on HS2 from London to Birmingham with an interchange station in Solihull is progressing with extensive works on the ground as part of Phase 1. Phase 1b to Crewe and northwards to Manchester were also the subject of parliamentary process to obtain the relevant statutory authority to proceed. Some land acquisitions along Phase 1 and Phase 2 have been made in order to bring this forward.
- 2.2 The Government have however undertaken a review of the delivery of HS2 and on the 4<sup>th</sup> of October, within the Prime Minister's speech during the Conservative party conference, it was announced that parts of the scheme were to be cancelled.
- 2.3 These changes to the scope of HS2 means that Phase 1 will be completed between London (Old Oak Common) to Birmingham and with a rescoped Euston station which will require a private consortium to invest in its completion. Phase 1b to Crewe would be removed and the HS2 line would reconnect to the existing West Coast Mainline at Handsacre to provide rail connectivity North.
- 2.4 The reinvestment of funding released from the cancellation of parts of HS2 would bring forward a number of regional schemes across the North and Midlands which would provide for regional and locally important connectivity to continue to support economic growth.
- 2.5 With these changes it is important to understand the economic impacts of the removed schemes and those that have been added. To better understand the changes that this will have on economic performance, the WMCA is commissioning a review and this is likely to be the subject of a further report to the board. This will need to consider how this funding is to be reinvested on new schemes that are regionally and locally significant to deliver against the WMCA economic, social and environmental outcomes contained within its agreed policy framework.
- 2.6 Within the Prime Minister's statement, it highlights that every penny of the £19.8bn committed in the northern leg of HS2 will be reinvested in the North and £9.6bn committed in the Midlands will be invested in the Midlands. A saving from the rescoped Euston station of £6.5bn will be reinvested across the Country. This funding is to be reallocated to other significant and important projects in the Midlands and North of the Country as part of a new £36bn plan to improve the country's transport. These changes were covered in the [Network North](#) document published on the same day and which indicated how this funding will be allocated and provides indicative timelines for delivery.



## **Allocation of funding**

- 2.7 This funding is to be shared across City Regional Sustainable Transport Settlements (CRSTS), Bus Service Improvement Plans (BSIP's), local highway maintenance, the Major Road Network, Large Local Majors Programme (MRN/LLM) and the newly created Local Integrated Transport Settlements (LITS) for places not in combined authority areas. In addition to this, funding will be allocated to the Midlands Rail Hub for both scheme development and delivery.

## **CRSTS**

- 2.8 On the 4<sup>th</sup> of October the Department of Transport (DfT) also published the [changes to CRSTS allocations](#) providing information with regards to the uplift of CRSTS 2.
- 2.9 In the Prime Minister's statement, it was stated that £100m would be made available within CRSTS 1 to the WMCA to support the delivery of existing metro extensions including the full scheme for Wednesbury to Brierley Hill High Street with some being available for Birmingham Eastside Extension as well as funding for Arden Cross located around the HS2 station in Solihull.
- 2.10 This funding is in addition to the £1.05bn of capital funding allocated for CRSTS 1 for the period 2022/23 -2026/27 and previously reported to the board. The indicative amount for CRSTS 2 for the period of 2027/28 to 2031/32 is a total of capital and revenue increased from a baseline figure of £1.566bn to £2.648bn. An additional allocation of just over £1bn has therefore been provided additionally as a direct reinvestment of HS2 funds. £250m of revenue will be made available during CRSTS1 period to support network stability to enhance the outcomes of CRSTS investment in public transport.
- 2.11 The allocations to CRSTS2 will help alleviate some of the budget pressures previously identified to the board and provide significant additional investment funds for new projects in the CRSTS2 period. The allocation of funds will follow the established processes through STOG and the WMCA Board used for CRSTS 1 as well as continuing to work within the WMCA's government approved Single Assurance Framework to provide a value for money assessment.

## **Bus Service Improvement Plans (BSIP)**

- 2.12 Network North announced over £1bn of additional funding for BSIPS in the North and the Midlands. DfT have indicated that £770m will be allocated to the North and the remainder to transport authorities in the Midlands.
- 2.13 Indicative funding allocations for 2024/25 have now been published with WMCA being allocated £16.6m of revenue funding. We are awaiting the formal grant letter to ascertain and terms and conditions, but it is anticipated that this can be used to continue to transform bus services and maintain current levels of service on the bus network for this period in line with existing guidance.

- 2.14 It is anticipated that the remaining 4 years of this funding as yet to be allocated will provide revenue and capital funding for bus services but is anticipated to be lower than that announced for 2024/25. Whilst it is anticipated that this will support ongoing bus services it remains to be seen if this will be sufficient to maintain current levels of service or implement the transformation of the bus network anticipated in the WMCA's vision for bus and the core strategy of the LTP.

### **Local Highways Maintenance**


- 2.15 Network North also announced £8.3bn of additional capital funding for local highway maintenance activities such as resurfacing of local road networks. £2.2bn will be provided to the Midlands and some of this funding will be allocated in this current financial year and over the following 10 years from 2023/24 to 2033/34. The allocation for each area is expected to be published by DfT shortly but at the time of writing this report this has not been forthcoming.
- 2.16 It is anticipated that this will be calculated outside of the CRSTS budgets and allocated to CRSTS additionally as is currently the arrangement in CRSTS1 for local authorities except for Birmingham City Council which has a separate PFI arrangement.

### **Major Road Network/Large Local Majors (MRN/LLM)**

- 2.17 The announcement included funding uplifts for MRN/LLM schemes already in the programme, which have not yet reached Final Business Case stage. A £250 million uplift was announced for the Midlands. An 'MRN2' programme was also announced with £650 million earmarked for the Midlands. Guidance will be issued by DfT on eligibility and process for MRN2 in the spring of 2024. Existing MRN schemes will be informed of the process for the uplift in due course.

### **Midlands Rail Hub**

- 2.18 In addition to this, the Midlands Rail Hub (MRH) is to be fully funded with £1.75bn to complete the full business case and for delivery, with WMRE taking a greater role in MRH governance on behalf of WMCA. Midlands Rail Hub comprises three key elements: MRH West, Central and East.

Midlands Rail Hub West	Midlands Rail Hub Central (assuming West infrastructure)	Midlands Rail Hub East (assuming West/Central infrastructure)
Snow Hill platform 4 Moor Street platform 5 Bordesley West Chord Kings Norton-Barnt Green Stoke Works junction Malvern Wells turnback facility Ledbury – Shelwick partial double-tracking	Moor Street platforms A & B (east side) Bordesley viaduct widening Bordesley East Chord	Water Orton remodelling Nuneaton to Wigston signalling headways Freight loops between Nuneaton and Leicester
		

- 2.19 An Outline Business Case (OBC) for MRH West / Central, which provides the rail network capacity into central Birmingham for additional services to Bristol / Cardiff, plus a Kings Norton bay platform for Camp Hill services, has been approved by DfT. A **second MRH West phase** will be required for an additional train to Worcester / Hereford, but is dependent on the currently unfunded re-signalling of the Worcester area.
- 2.20 Work on the OBC for **MRH East** (to Leicester) is still underway, but this **will now need to be revised** to additionally include infrastructure enhancements between Birmingham and Derby/Nottingham following the cancellation of HS2 East.
- 2.21 This will provide improved local and regional capacity by rail and will offset some of the lost benefits from HS2.

### 3. Financial Implications

- 3.1 There are a number of direct and indirect financial impacts as a result of this announcement outlined in this report. There are a number of new direct transport funding streams that will flow to WMCA. Full details and associated terms and conditions are yet to be received on these and will be subject to WMCA's standard review processes and Single Assurance Framework as necessary.
- 3.2 As noted earlier in the report the economic impacts of the decisions require review of both current and future investment decisions to ensure that these represent value for money and also to understand whether there is any potential impact on any non transport funds. This will all need to be taken into consideration as WMCA continues to negotiate its Deeper Devolution Deal and single settlement to ensure that there is alignment between the use of all funds to achieve outcomes for the region.

### 4. Legal Implications

- 4.1 The CA has the power to receive/pay transport related grants pursuant to Part 2 of The West Midlands Combined Authority (Functions and Amendment) Order 2017.

- 4.2 The report highlights a number of new direct transport funding streams that will be paid to WMCA. Whilst it is recognised that full details and associated terms and conditions are yet to be received, it will be necessary to ensure that upon receipt they are subject to the WMCA's review, assurance and governance processes.
- 4.3 The economic impacts of the decisions will also require review of both current and future investment decisions to ensure that these represent value for money.
- 4.4 Where the funding is used to deliver goods, works and/or services, those appointments should be procured in accordance with the CA's contract procedure rules and, if applicable, the Public Contracts Regulations 2015
- 4.5 Where funding is used as a grant scheme a full subsidy analyses should be undertaken.
- 4.6 Further legal advice should be sought as these projects progress.

## **5. Impact on Delivery of Strategic Transport Plan**

- 5.1 The LTP must set out policies to promote a safe, integrated, efficient and economic transport system. Despite the cancellation of the wider HS2 network, the West Midlands Local Connectivity Package, being delivered, will plug-in the two HS2 stations to the local transport network including rail and metro networks, SPRINT rapid bus transit services and Birmingham and Solihull's core bus networks. This will be supported by improvements in walking and cycling infrastructure providing good regional access to HS2 services, and the economic development underway in the vicinity of the stations. The delivery of Midlands Rail Hub will support improved connectivity to key destinations in the East Midlands and southwest whilst also unlocking opportunities to improve local rail services within the metropolitan area. This includes the Sutton Park line proposals and a number of new stations and supports the LTP's vision for travel of a 45-minute region.
- 5.2 The uplift in funding to CRSTS, BSIP and local highways maintenance funding will enable delivery of a range of improvements which support the LTP's objectives of improving accessibility, reducing overall levels of traffic and electrifying the transport system. The uplift to CRSTS will allow more sustainable transport improvements to be delivered across the region, building on the delivery of CRSTS1. The development of the LTP Area Strategies currently underway will help to inform the development of the regional CRSTS2 programme. Bus services are crucial to inclusive growth and levelling up and make up 4 out of 5 of all public transport journeys in the region. Bus services provide an essential mobility service to access employment, education, leisure and other key facilities as well as providing integration with other transport particularly for the 27% of households without access for a car. Highways maintenance is a key issue for many travellers, with many motorists currently dissatisfied with the condition and upkeep of the roads. Improvements to the standard of the highway network do not just help drivers though, as a broad range of users across bus, walking, cycling, wheeling, and freight also benefit from a well maintained and managed network.

## **6. Equalities Implications**

- 6.1 There are no specific equalities implications for this report

## **7. Inclusive Growth Implications**

- 7.1 WMCA defines Inclusive Growth as *“a more deliberate and socially purposeful model of growth, measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.”* The [Inclusive Growth Framework](#) is designed to ensure that this vision is applied to WMCA policies, programmes and investments as a mechanism to deliver a fairer, greener and healthier region. It has eight ‘fundamentals’ to ensure we achieve this goal in a way which enables people, places and our environment to thrive.
- 7.2 Public transport is a key component of the Connected Communities Fundamental. Ensuring that residents are well connected to amenities, employment and leisure activities is vital. As part of the commissioning of an assessment of economic impacts for the region associated with the changes outlined in the report, the Inclusive Growth Framework will be applied to ensure that opportunities for an inclusive growth approach are taken forward.

## **8. Geographical Area of Report’s Implications**

- 8.1 This report covers the whole geographical area

## **9. Other Implications**

- 9.1 There are no other implications arising from this report.

## **10. Schedule of Background Papers**

[Network North](#)

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## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	Birmingham Eastside Metro Extension
<b>Portfolio Lead</b>	Transport - Councillor Mike Bird
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Anne Shaw, Executive Director Transport for West Midlands email: anne.shaw@wmca.org.uk
<b>Report has been considered by</b>	Executive Board - 8 November 2023

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note that sections of the Birmingham Eastside Metro Extension (BEE) have been successfully delivered in Lower Bull Street (Section 1), as well as certain elements between Lower Bull Street and Moor Street Queensway (section 2), which include utility diversions and the demolition of a number of buildings. Works are due to be completed in Digbeth (section 5) by the end of 2023.
- (2) Note the change to the delivery schedule for the BEE scheme, which pauses metro works whilst Curzon Street Station is built following a signed Memorandum of Understanding (MoU) between HS2 and DfT as previously reported to the Board. The BEE schedule could also be impacted by further potential changes to the HS2 programme arising from the recent decision by the Government to cancel the northern parts of the scheme, further detail of which is awaited.
- (3) Note that this pause in delivery and any potential further changes to the HS2 programme will have an impact on cost due to inflation as previously reported and prolongation of the delivery to the full scheme as a consequence of HS2 works.

- (4) Note that the Board remains committed to completing the full scheme and that work is ongoing with HS2 and Birmingham City Council to finalise designs for both the Curzon Street Station and any resultant changes to the base metro design. This work will need to be completed in order to produce the full scheme scope and costs including reimbursement from HS2 for the financial impact of delays. This will be the subject of a further report to Board next early next year.
- (5) Note that 3 options have been considered (section 3 of this report) to assess the opportunity to release some early connectivity benefits whilst the scheme is paused as referred to in previous board reports (March and June 2023).
- (6) Approve Option 3 to undertake an interim scheme terminating at a temporary stop alongside Moor Street Queensway at a current cost estimate, of £245m which includes all works completed to date as set out in section 5 of this report.
- (7) Note that the additional funding required of £17m to complete this interim scheme will be provided through the overprogramming of CRSTS and provided for within the additional headroom provided following the Network North announcements reported in a separate paper to the Board.
- (8) Approve work commencing to progress both development and construction of option 3 subject to an agreed design and construction methodology with Birmingham City Council as the Planning and Highway Authority, being contained within the £245m estimate and following a value for money assessment and a successful outcome through the single assurance framework.
- (9) Note that a comprehensive report will be brought to Board within the next 6 months, subject to all information available from delivery partners setting out costs, funding strategy and the programme to complete the BEE in full including remaining works to sections 2, 3, 4 and 5 of the scheme. This report will include a revised full business case including a value for money assessment that will require evaluation through the single assurance framework.

## **1. Purpose**

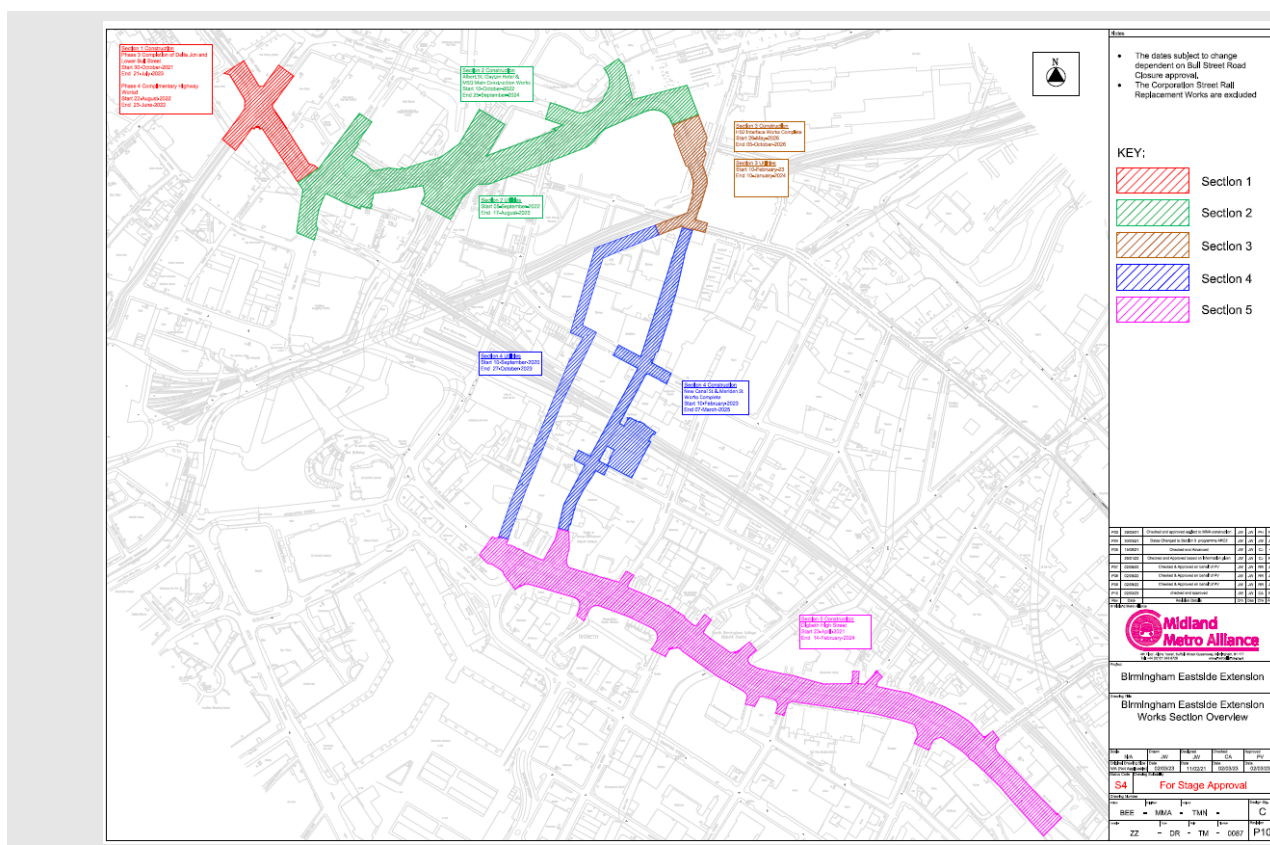
- 1.1 The purpose of this report is to provide the Board with an update on the schedule to the Birmingham Eastside Extension Metro (BEE) scheme in relation to the pausing of works associated with HS2 construction of Curzon Street Station and pending any further clarity to the HS2 design and programme following recent announcements from Government cancelling phase 2 north of Birmingham to Manchester.
- 1.2 The Board is also requested to approve a recommendation to undertake an interim scheme, subject to being within the available budget and confirming design and construction methodology with Birmingham City Council. This will provide a number of earlier benefits in terms of connectivity between bus, tram and rail at Moor Street Queensway and the generation of some farebox revenue in this interim period to support the wider funding model for metro in the West Midlands.



## 2. Scheme Overview

- 2.1 The BEE scheme will provide connectivity to the new HS2 station at Curzon Street and support the wider regeneration of the Eastside and Digbeth areas of the city. The scheme involves the construction of 1.7km of both on street and off-street twin-tracked tramway and includes a major urban realm scheme, designed and delivered focusing upon Digbeth High Street.
- 2.2 The scheme is being engineered and delivered in five distinct sections as follows:
- Section 1: Delta Junction – Dale End (Lower Bull Street);
  - Section 2: Dale End – Park Street (Albert Street)/Moor Street Queensway);
  - Section 3: Park Street – New Canal Street (Curzon Street Station);
  - Section 4: New Canal Street – Meriden Street; and
  - Section 5: Meriden Street – Digbeth High Street (Digbeth High Street).

A plan of these sections is shown below.



## 3. Background

- 3.1 The Board approved the full business case for BEE at its meeting in February 2020 and works to construct the extension commenced in June 2021.

- 3.2 The many benefits of this extension include greater public transport accessibility to HS2, Moor Street Station and extensive bus services in this part of the city. Alongside HS2, it also supports the wider regeneration in Digbeth evidenced by the amount of development either completed or under construction to date. The scheme, alongside a public realm scheme in Digbeth, is transforming the location encouraging economic growth and improved environmental outcomes, whilst connecting the wider combined authority area to new potential employment opportunities. It forms the first stage of a larger ambition to connect employment opportunities in the city centre and out at the NEC/Airport area via East Birmingham and North Solihull.
- 3.3 The tram provides a frequent, emission free mode of transport that supports the Birmingham Transport Plan and Clean Air Zone including reducing congestion and levels of nitrogen dioxide and particulate matter.
- 3.4 In reports brought to Board in March and June 2023, early warnings were given in relation to additional funding requirements for completion of the full BEE scheme due to inflationary pressures and a change in the delivery schedule following negotiations with HS2 and DfT to enable HS2 to complete the Curzon Street Station viaduct unfettered.
- 3.5 Under the current work programme for HS2, the site to complete tram construction is due to be handed back to Metro in early 2026 and HS2 works continue around the station.
- 3.6 Given this change the extension is not expected to become operational until 2027/2028. At this point Curzon Street Station would not be completed, therefore metro would operate through the station and the station metro stop would become operational when the HS2 station opens to public service.
- 3.7 Works to date on the BEE do not include any stops or overhead lines, operational equipment or signalling technology. Sections 3 and 4 of the scheme will not start until after HS2 hand back the area impacted by construction of the Curzon Street Station viaduct programme following hand back of the site contained by the HS2 station works in 2026.
- 3.8 The report to Board on the 17 March 2023 approved the release of funding to allow continuation of works to the Clayton Hotel pending a Target Cost 2 for the whole scheme. The intent was to undertake design and feasibility work for an interim scheme that would help provide a service and connectivity to this location and realise early revenues to support the funding model for the metro schemes. This was also included in the Board report in June 2023. As referred to above the TC2 for the full scheme cannot be completed at this time with uncertainty around the final HS2 station design which is requiring some re-design to the metro scheme.
- 3.9 In order to mitigate the impact of this delay on the delivery of passenger services and revenue streams a number of options have been considered by Transport for West Midlands as follows:

1. **Do nothing** – this would mean works completed to date would be redundant until such time as the scheme recommenced post HS2 construction. Inspection and maintenance of the assets in situ would be required regardless and with no revenues from fares would impact on operational budgets of the MML/TfWM. Connectivity in this area to emission free public transport and interchange between bus and heavy rail at Moor Street Station would not be improved in the interim period.
  2. Complete an **interim scheme to Moor Street Queensway (near to the Clayton Hotel)** including a temporary stop and turn back facility to enable tram services to terminate at this point and **complete all high-quality public realm** on this stretch. This would enable early revenue to be collected for passengers using this short spur to connect with and from buses and heavy rail at Moor Street Station and improved environment in accordance with the city's aspirations on public realm design. It however would mean high quality public realm would be introduced prior to developments mobilising in the area including Martineau Galleries which could enclose some areas and remove or damage the public realm during their construction period. This would not be a good use of public funds at this point.
  3. Complete an **interim scheme to Moor Street Queensway (near to the Clayton Hotel)** to include a temporary stop and turn back facility to enable tram services to terminate at this point as above, but **do not complete high quality public realm**. finishes would be to a safe standard level. This would avoid costs to the public purse of high-quality finishes, which would subsequently be removed by developments as these come forward. It is proposed that areas completed to a safe standard finish would be completed post these developments and ongoing conversations with developers and stakeholders to reschedule works. Connectivity would be provided, and fares collected would contribute to the ongoing maintenance of the assets and support the funding model for the metro extensions being constructed in the West Midlands region.
- 3.10 Further work to understand any public realm improvements that would not be abortive and are affordable within the funding envelope requested will be explored with Birmingham City Council via the refreshed arrangements detailed below in order to minimise disruption by doing things once rather than revisiting certain areas when the full scope is being delivered in the future.
  - 3.11 **It is recommended that the third option is agreed by the Board** to maximise the outcomes from this scheme at an interim level until such time as the full scheme is completed post HS2 returning the site for metro construction.
  - 3.12 To support the delivery of the interim scheme and work to develop and deliver the full scheme, the Executive Director of TfWM and senior officers within Birmingham City Council will refresh the current officer and member meetings in consultation with members to support the efficient coordination of technical workstreams and oversight of the programme of BEE to help drive delivery forward.
  - 3.13 It is important that stakeholders and communications are managed appropriately to reflect delivery and programme changes. As such, WMCA will lead this activity working with partners and other parties as required.

- 3.14 Sections 3 and 4 of the BEE scheme would not be progressed at this time. This would prevent any further need for maintenance of assets lying dormant in the ground during the stand down period, avoiding additional operational costs and the cost to the public purse. Work on these sections would recommence subject to confirming revised costs, budget and the timescales with HS2.
- 3.15 The cost of the existing and interim scheme as proposed in option 3 is contained within section 5 of this report and pending the outcomes of ongoing work with HS2 around any design changes and covered by the MoU with HS2 in relation to prolongation costs. Value engineering work to Curzon Street Station and any other subsequent changes following more recent announcements have not yet been finalised also noting ongoing dialogue between Birmingham City Council and HS2 in its capacity as Planning Authority This means that Transport for West Midlands do not have a final design, programme or target cost 2 to present to the Board at this time.
- 3.16 It is anticipated that this work will report back to the Board in 2024 as stated above and Transport for West Midlands alongside HS2 and Birmingham City Council will work together to achieve a final costed design and funding solutions for the tramway and associated public realm supported by the refreshed coordination and oversight meetings as mentioned.
- 3.17 It should be noted that the business case for the full scheme is also being updated and reassessed to take account of increased costs, changes to HS2 delivery following the cancellation of the northern section to Manchester, the opportunities provided through Midlands Rail Hub and the anticipated outputs from Birmingham City Council's Future City Plan. This is to ensure continued value for money for the scheme alongside associated benefits and outcomes.
- 3.18 The WMCA remains committed to completing the full BEE scheme. Funding solutions for both tramway and high-quality public realm works will be worked through collaboratively between Transport for West Midlands, Birmingham City Council working with key stakeholders. Such works will be treated as a prior call on CRSTS 2 as agreed in the 9 June 2023 Board report.

## **4. Strategic Aims and Objectives**

### **4.1 Scheme-Specific Objectives**

As set out in the full business case approved by the Board in February 2020, the WMCA has developed objectives specific to the BEE scheme, stemming from environmental, connectivity and efficiency priorities for the West Midlands. These are closely aligned with network-wide objectives but reflect the specific geography of the proposed extension and the communities it links.

4.2 The scheme-specific objectives, split into five broad categories, are outlined below:

#### *1. Improve Transport Efficiency*

- connect the HS2 station at Curzon Street and Birmingham Coach Station to the city centre;
- maximise interchange opportunities with the existing railway stations at Moor Street, New Street and Snow Hill and local bus services;
- reduce journey times between Eastside, Digbeth, the central business district and the wider West Midlands.

## 2. *Boost Business Efficiency*

- encourage economic agglomeration by boosting the connectivity of Eastside and Digbeth to firms and workers within the wider West Midlands.

## 3. *Support Economic Growth*

help facilitate the growth proposed in the Big City Plan and Curzon Street Masterplan by better integrating Eastside and Digbeth into the city centre (it should be noted that Birmingham City Council have recently published a draft Future City Plan that will replace the Big City Plan in due course); and

- provide improved transport links for businesses in Eastside and Digbeth to access important national and international markets.

## 4. *Tackle Deprivation and Maximise Opportunity*

- provide high-quality transport links to key population, education and employment centres to open up access to new jobs created within the Enterprise Zone for those elsewhere in the West Midlands.

## 5. *Promote Quality of Life and a High-Quality Environment*

- contribute towards tackling climate change by minimising carbon emissions per public transport passenger kilometre;
- contribute to improving local air quality minimising NOx and particulate emissions per public transport passenger kilometre;
- support the delivery of attractive communities in Eastside and Digbeth where people want to live and work;
- support the delivery of a transport network accessible to all;
- support the delivery of a transport network that facilitates walking and cycling; and
- support the delivery of a transport network that is safe and secure.

4.3 The case for intervention outlined above is consistent with the delivery of all objectives for Curzon Street, Eastside, and Digbeth, and the BEE offers the opportunity to satisfy all of West Midlands Metro's network-wide and scheme-specific aims.

## **5. Financial Implications**

5.1 The Full Business Case for the entire BEE scheme was approved at the February 2020 WMCA Board supported by a Target Cost 1 (TC1) approval of £227.2m funded by a combination of DfT grant, Investment Programme funding and borrowing supported by future farebox revenue. Since that approval the inclusion of additional scope of works relating to Digbeth High Street Urban Realm works funded by GBSLEP and cycle provision have increased the total funding to £227.9m.

5.2 As noted earlier in the report, construction work commenced in 2021 with £142.5m of funding being utilised as of 30 September 2023 to complete the works to date.

5.3 Subject to the approval of the recommendations contained within this report by Board, further work is required to understand the full cost of delivering Option 3, including cost assurance by Alliance auditors. Work to date has identified that the total cost should not exceed £245m. The table below details the current high-level position.

	<b>Pre-Alliance Cost £</b>	<b>Alliance Cost to 30th September 2023 £</b>	<b>Cost 1st October 2023 to Completion £</b>	<b>Total Costs £</b>
<b>MMA Programme</b>	-	2,458,245	1,018,852	<b>3,477,097</b>
<b>Alliance</b>	2,238,046	70,214,916	62,433,071	<b>134,886,033</b>
<b>Utilities</b>	-	23,465,166	23,628,061	<b>47,093,227</b>
<b>Owner's</b>	283,309	43,840,823	15,416,838	<b>59,540,971</b>
<b>Total</b>	<b>2,521,355</b>	<b>139,979,150</b>	<b>102,496,822</b>	<b>244,997,328</b>

- 5.4 The total cost to complete of £245.0m as per the above table includes operational completion of sections 1 & 2 which include a turnback outside Clayton Hotel. For section 5 this includes main construction works, urban landscaping and tramway infrastructure with tram systems, shelters and testing & commissioning expected to be completed when the full scheme is implemented.
- 5.5 Considering the current project funding and the BEE target cost (option 3), further opportunities for value engineering and delivery efficiencies to save costs have been identified and assessed in consultation with key stakeholders. Further discussions are required with stakeholders to confirm if the savings could be realised however there are potentially £5.7m opportunities, which could bring the project to a cost of £239.3m if fully realised.
- 5.6 The difference between the indicative top range cost of £245.0m for option 3 and previously available funding of £227.9m would give rise to a funding gap of £17.1m.
- 5.7 The recommendations within this report request the additional cost of the works is met from CRSTS by further extending the value CRSTS1 is overprogrammed by. This would require overall CRSTS resources to be rebalanced post March 2027, when WMCA receive the CRSTS2 allocation.
- 5.8 The principle of over programming the CRSTS1 allocation was accepted by WMCA Board in June 23 when cost pressures to the value of £160.2m were approved. The value was subsequently verified by the recent re-base exercise in October 2023. Should the recommendation within this report be approved, this would take the overall overprogrammed value to £177.3m. Furthermore, the Rail Package 1 Report to this WMCA Board also recommends the over-programming is extended by £15.43m which would increase the overall total to £192.7m.
- 5.9 Whilst formal confirmation of exact CRSTS2 allocations is yet to be confirmed, the risk associated with over programming is considered to be low following the recent announcements around CRSTS2 and additional Transport capital funding being made available to the region. Whilst the over programming arrangements will result in reduced levels of capital resources in future years, there remains a significant uncommitted resource from 2027 to assist in the delivery of regional plans.

- 5.10 The cancellation of HS2 northern leg requires a review of the assumptions underpinning the Metro affordability model to understand any impact on borrowing capacity. The model was particularly reliant on future revenues generated by the BEE scheme to fund the current borrowing capacity. This review is currently being undertaken and any issues identified with affordability will be reported to WMCA Board.
- 5.11 The cost to complete the full scope of work is not yet known and will be subject to a later report to Board as referred to in Section 3 – clearly this will be significantly above the original and revised project budget if option 3 is progressed.

## **6. Legal Implications**

- 6.1 The Midland Metro (Birmingham Eastside Extension) Order 2020 was made on the 12 February 2020 and came in force on the 4 March 2020 and this Order provides WMCA with the powers to acquire land both temporarily and permanently for the Metro Scheme (as well as the rights to construct, operate and maintain the Midland Metro). The land required for the interim scheme Option 3 to Moor Street Queensway (near the Clayton Hotel) are included in the costs and will be acquired should the scheme be approved by the Board. The Order provides deemed planning permission for BEE and the necessary Traffic Regulation Orders for certain roads as provided within the Order and are shown on the traffic regulation plan attached to the Order. It should be noted that consent from the Traffic Authority will still be required for the roads that are affected by traffic regulation but consent from BCC must not be unreasonably withheld.
- 6.2 It should be noted that the land acquisition powers can only be exercised by WMCA within 5 years from the date the Order came into force so if the timeline for acquisition of land elapses and land is required after 3 March 2025 then a further Transport and Works Act Order will be required for the compulsory purchase of land. It should also be noted that the works under 2020 Order can only be carried out within the limits of deviation so should any works be carried outside of the limits and/or if further land is required outside of the limits, then another Transport and Works Act Order may be required.
- 6.3 Therefore, for BEE sections 3 and 4 that will be deferred as a result of HS2 building the Curzon Street Station viaduct, WMCA will need to decide on either acquiring the land for these sections in advance of the March 2025 date or submitting a new Compulsory purchase order for the acquiring the land at a later date.
- 6.4 There are several agreements that were entered into with landowners that affect the route and these need to be adhered to for the scheme which includes the construction element. WMCA has entered into a few agreements with HS2 and some of the land required for the scheme is crown land where occupation or rights on land need to be agreed with HS2 prior to entry onto their land. It is recommended that the agreements that affect the route referred to in this report are checked prior to construction and legal support should be sought from the internal Solicitor in respect of the powers under the Order and/or the agreements that affect the land required.

## **7. Single Assurance Framework Implications**

- 7.1 It is intended for a Change Request to pursue option 3, as set out in this report, to be submitted for approval through the WMCA governance process.

7.2 The Final/Full (need to be consistent) Business Case for the BEE scheme as approved by the WMCA Board had an outturn cost of £227.2m and presented as a high value for money with a BCR of 3:00 based on particular demand assumptions made at that time. It is intended to return with a separate report to the WMCA Board setting out the impacts on the full scheme delivery once the impacts of delay and inflation are assessed and understood, and a reappraisal of the business case assumptions and funding allocations is complete.

## **8. Equalities Implications**

8.1 Equalities implications such as accessibility for disabled people have been considered as part of the Transport and Works Act Order and Business Case processes. With the improved public transport accessibility and wider regeneration benefits to the Digbeth area of Birmingham as a result of the Birmingham Eastside Metro Extension (BEE), there are also potential positive socio-economic impacts and for other with protected characteristics (other than disability) as defined by the Equality Act 2010. The WMCA's Health and Equity Impact Assessment is recommended to be completed to investigate these insights into potential positive socio-economic and equality impacts for the full scheme.

## **9. Inclusive Growth Implications**

9.1 The [Inclusive Growth Framework](#) is designed to support WMCA policies, programmes and investments to deliver a fairer, greener and healthier region. It has eight 'fundamentals' to ensure we achieve this goal in a way which enables people, places and our environment to thrive. Connecting our communities with good quality public transport is key to unlocking growth opportunities for people and places in the region. The Birmingham Eastside Metro Extension supports the delivery of the following fundamentals:

9.2 **Climate Resilience:** An Environmental Impact Assessment was undertaken as part of Transport and Works Act Order. The climate resilience of BEE was assessed and both infrastructure and operational resilience was identified and included the design and planned operational control of the extension.

9.3 **Inclusive Economy:** The procurement model used includes utilising local sub-contractors to deliver the scheme, contributing to local economic growth.

9.4 **Power and Participation:** Stakeholder and public engagement is ongoing throughout the development, delivery, and operation of the tramway. There is ongoing stakeholder and communications i.e. newsletter and media engagement to ensure residents businesses and stakeholders are kept informed and have the opportunity be heard.

9.5 **Affordable and Safe Places:** The socio-economic effects of BEE were assessed as part of the Transport and Works Act Order Environmental Impact Assessment to identify the impact on employment, economic activity and disruption on local business during construction and operation of the tramway. It was identified that beneficial cumulative effects socio-economic effects would arise from developments being brought forward at the same time such as Beorma Quarter in Digbeth.



- 9.6 Connected Communities – the key project objectives for BEE as set out In the approved Final Business Case include providing high quality transport links so that residents can access education and employment centres, which provides the connections to amenities.
- 9.7 Education and learning - the key project objectives for BEE as set out in the approved Final Business Case include providing high quality transport links to education and employment centres, providing the population with access to learning opportunities.
- 9.8 Equality - Key project objective for BEE include providing high quality transport links between key population, education and employment centres which provides the connected communities, education and learning. The full equality impact assessment undertaken identified practical actions required to reduce or remove any adverse/negative impacts such as ensure the platform design is in line with current accessibility standards and liaise with equality/disability groups to get input and feedback.

## **10. Geographical Area of Report's Implications**

- 10.1 This report covers the BEE scheme in Birmingham city centre including the Eastside and Digbeth area.

## **11. Other Implications**

- 11.1 Further work will be undertaken together within the refreshed working arrangements at a technical officer level and political oversight to work with multiple stakeholders on the temporary works and the ongoing development of the full scheme alongside the Enterprise Zone commitments in this location.

## **12. Schedule of Background Papers**

- 12.1 Birmingham Eastside Extension Full Business Case
- 12.2 All previous reports as referenced in this report

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## WMCA Board

<b>Date</b>	17 November 2023
<b>Report title</b>	New Stations Package 1: Project Cost Update
<b>Portfolio Lead</b>	Transport - Councillor Mike Bird
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Anne Shaw, Executive Director for Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>Report has been considered by</b>	WMCA Executive Board – 8 November 2023 Mayor and Portfolio Leaders Liaison Committee

### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note the cost pressures associated with the New Stations Package 1 project.
- (2) Approve the proposed funding solution to extend the over programming of CRSTS1.
- (3) Delegate to the WMCA Section 151 Officer the ability to amend the project budget by up to £15.43m subject to satisfactory assurances being received by the Executive Director for Transport with respect to the anticipated final cost.

#### 1. Purpose

- 1.1 To update the Board on the cost and programme implications of the novation of the West Midlands Rail Programme (New Stations Package 1 Project) to Kier Integrated Services Limited, following the administration of Buckingham Group Contracting Limited in September 2023 due to financial insolvency.

## 2. Update

- 2.1 A New Stations Package 1 Project Update paper was noted by the Board on 13<sup>th</sup> October 2023. This provided details of the decision to novate the New Stations Package 1 Project to Kier Integrated Services Limited (“Kier”), following the placing into administration of Buckingham Group Contracting Limited (BGCL).
- 2.2 Following rigorous review, it was determined that novating the contract to Kier would minimise disruption to the programme, maintain the current integrated delivery strategy, and retain many of the same resources. It also protected WMCA from negotiations from the administrators on the BGCL account.
- 2.3 Although novating the contract from BGCL to Kier was deemed more cost effective and allowed for more efficient delivery than re-procuring the works, the following outstanding issues remain:
- Impact to the overall project schedule as a result of a revised contractual delivery programme agreed with Kier.
  - A revised Target Cost for the contract with Kier, negotiated as part of the novation agreement, with cost increases arising from project downtime and re-mobilisation costs, and incorporating scope changes.
  - The residual cost risk to the project associated with the extent of land remediation.
- 2.4 The schedule impact of the administration of BGCL and novation to Kier means that the new stations are likely to be operational in winter 2025 / 2026. This is currently subject to a full assurance exercise however this forecast date is based on an initial contractual programme submission from Kier. Programme mitigations are under investigation to understand how this date can be bettered.
- 2.5 WMCA Board were notified in June 2023 through the transport capital pressure paper of a cost pressure on the project. This has primarily been driven by extensive land remediation requirements and changes to industry requirements for fire safety. The approach to land remediation previously agreed with Network Rail has been reopened with additional remediation works mandated. The fire strategy, also previously agreed, has had to be amended following changes to national standards leading to the requirement for additional infrastructure to provide a secondary means of escape.
- 2.6 The CRSTS Rebase approved by WMCA Board in September 2023 included the proposal to meet the cost challenge through that exercise and ultimately the over programming of the CRSTS fund. This gave a locally approved revised budget for this scheme of £69.84m.
- 2.7 It is important to note that DfT apply specific delegations to the CRSTS programme including the requirement for full approval of changes in excess of £20m and importing new projects into the programme, regardless of value. As such, the locally agreed budget of £69.84m above includes £14m of funding which WMCA are awaiting approval on from DfT. This issue requires WMCA to carefully manage the commitments made against the available funding until full approval is obtained as there is a risk the proposed change could be rejected.

- 2.8 The cost impact of the novation and programme prolongation result in additional cost pressure with anticipated project costs to further increase to a total ranging from £81.27m to £85.27m, £11.43m to £15.43m over and above the pressure notified in June.
- 2.9 If funding cannot be found to cover this shortfall, the Deed of Novation for transfer of the contract with WMCA from BGCL to Kier provides flexibility for an affordable project to be defined, without contractual financial penalties. This provides the ability to phase the works as necessary to remain within the existing funding envelope however this report seeks the approval of additional funding from the overprogramming of CRSTS following further funding being allocated on the back of HS2 announcements to WMCA. It should be noted however that this is still dependant on the CRSTS rebase line exercise which was the subject of a board report in October and the change control to bring Package 1 rail schemes into the CRSTS programme. An initial assessment shows that the full scope at Willenhall station and land remediation at Darlaston can be delivered within the £69m approved as part of the CRSTS rebase. Financial monitoring is in place with Kier to ensure forward visibility of cost liability. Until additional funding is approved only project works within budget will be undertaken.
- 2.10 As an interim funding position, WMCA Board are asked to approve the over programming of CRSTS (subject to the above) to cover the additional cost pressure to a value of £85.27m while additional funding is sought.
- 2.11 Subject to WMCA Board approval, WMCA have the ability to over-programme against the CRSTS1 resources available to the region. However, it is recommended that funding opportunities are also pursued with the Coal Authority, Network Rail, and DHLUC who will be approached for funding contributions to support with costs associated with extensive land remediation and which will result in wider community regeneration benefits from the opening of the two new stations in economically deprived areas. Within the WMCA, use of brownfield regeneration funding will be investigated. Should any of these options be successful, they will reduce or negate the need to over-programme against the CRSTS1 allocation.
- 2.12 Subject to DfT providing consent to bring this project into the CRSTS programme as part of the rebase (thereby approving the initial £14.0m budget uplift request), the value of the change subject to this report is in line with delegations provided by DfT to WMCA (i.e. sub £20m). As such, WMCA should be able to make this change through delegated decision route, but WMCA will need to consult DfT on the change.

### **3. Strategic Aims and Objectives**

- 3.1 The Package 1 scheme will support the delivery of the vision set out in the WMCA Aims and Objectives to *“connect our communities by delivering transport and unlocking housing and regeneration schemes”* and will *“build and develop transport infrastructure that is sustainable, active, low congestion”*.

### **4. Financial Implications**

- 4.1 The Full Business Case for New Stations Package 1 was approved by WMCA Board on 15<sup>th</sup> January 2021 with a budget of £55.84m.

- 4.2 Following this approval, the position on Rail Package 1 experienced further challenges in relation to land remediation and fire strategy as noted above. The CRSTS report at WMCA Board on 9<sup>th</sup> June 2023 noted an application of £14.0m from CRSTS1 had been made to DfT to bring Rail Package 1 into the main programme to support those cost pressures. This was built into the CRSTS rebase proposal approved by Board on 15<sup>th</sup> September 2023. The CRSTS rebase has been submitted to DfT with WMCA now awaiting a decision which is expected imminently. The current locally approved budget is £69.84m although, as noted in the report, the contractual exposure requires careful management whilst the £14.0m budget increase awaits DfT approval.
- 4.3 As flagged in section 2, there will be an impact on the total project cost as a result of novation and consequent delays. The estimated cost to complete the full scheme ranges from £81.27m to £85.27m. This is an additional cost pressure of £11.43m to £15.43m over and above the pressure notified in June. This further increase is primarily a result of programme prolongation and more significant land remediation than previously anticipated. An extensive review of costs was undertaken during the novation process and further cost and schedule assurance work are underway are part of the rebaseline exercise.
- 4.4 It is noted that the funding package as per the approved FBC includes £31.65m DfT RNEP funding. This funding allocation, as part of the £59m award to both Rail Package 1 and 2 is subject to potential proportional clawback risk should the stations not be constructed. The quantification of the risk exposure is dependent on discussions with DfT and which option is taken if the full funding solution cannot be identified however it could be in the range of £7m to £16m. It is expected that further work is carried out to identify this risk with DfT.

### **CRSTS Over Programming**

- 4.5 As detailed within this report, unless alternative funding options can be identified, the additional cost of the works would need to be met by over programming against the CRSTS1 allocation and rebalancing the CRSTS programme post 2027 using CRSTS2.
- 4.6 The principle of over programming the CRSTS1 allocation was accepted by WMCA Board in June 2023 when cost pressures against the full transport portfolio to the of £160.2m were approved. The value was subsequently verified by the recent re-base exercise in October 2023.
- 4.7 Should the full increased cost (£15.43m) detailed within this report require funding via further over programming, this would take the total overprogrammed value from £160.2m to £175.63m. Furthermore, the Birmingham Eastside Metro report to this Board is also seeking to extend the over programming further and would bring the overall total to £192.7m.
- 4.8 The risk associated with over programming is considered to be low following the recent announcements around CRSTS2 and additional transport capital funding being made available to the region. Whilst the over programming arrangements will result in reduced levels of capital resources in future years, there remains a significant uncommitted resource from 2027 to assist in the delivery of regional plans.

## **5. Legal Implications**

- 5.1 The deed of novation has been drafted to preserve the terms of the existing construction contract, save for any unavoidable changes caused by the administration. The deed of novation provides for the building contract to remain substantially unmodified.
- 5.2 Any required reduction in the Scope of the Works to bring the project within required affordability criteria would be compliant with the PCR 2015 regulations and the terms of the contract itself.
- 5.3 The implications on any grant funding conditions must be fully understood prior to decisions on phasing of the works.

## **6. Single Assurance Framework Implications**

- 6.1 The full business case was approved in January 2021, with funding secured from WMCA, Walsall Council and DfT via the Rail Network Enhancement Pipeline.
- 6.2 While a full update to the business case will be developed in line with the cost and schedule assurance for project rebaseline, an initial review shows that the benefit cost ratio is 'very high' demonstrating that there are significant benefits from delivering the scheme even at a higher cost. An additional assessment was undertaken to assess the impact of completing the project in phases if required due to funding constraints, and this also gave a positive benefit cost ratio.

## **7. Equalities Implications**

- 7.1 Diversity Impact Assessments have been undertaken by the project which identify and address key equality issues and their mitigating measures. This project provides two stations designed to the current standards, with all areas fully accessible. Platforms are accessed by footbridges and lifts. Car parking will be designed to WMCA car park standards featuring the appropriate number of accessible parking spaces.

## **8. Inclusive Growth Implications**

- 8.1 The board considered in January 2021 the wider inclusive growth implications of the Package 1 scheme and noted that the proposed scheme will benefit areas of the West Midlands with particularly high levels of deprivation. Improving connectivity to education and employment opportunities in Walsall, Wolverhampton and Birmingham will therefore contribute to supporting the Combined Authority's growth aspirations.

## **9. Geographical Area of Report's Implications**

- 9.1 This report relates to two new stations in Walsall, at Willenhall and Darlaston.

## **10. Other Implications**

- 10.1 n/a

## **11. Schedule of Background Papers**

- 11.1 Full Business Case

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**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 24 July 2023 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)  
Councillor Steve Clark  
Councillor Peter Hughes  
Councillor Karen Grinsell  
Councillor Stephen Simkins  
Gary Taylor

Portfolio Lead for Finance  
Dudley Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
City of Wolverhampton Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

#### **In Attendance via MS Teams**

Councillor Mike Bird  
Councillor Sharon Thompson  
Paul Brown  
Sue Summers

Walsall Metropolitan Borough Council  
Birmingham City Council  
Business Representative  
West Midlands Development Capital

#### **Item Title**

##### **No.**

##### **25. Apologies for Absence**

An apology for absence was received from Councillor O' Boyle (Coventry).

##### **26. Minutes -19 June 2023**

The minutes of the meeting held on 19 June 2023 were agreed as a true record.

##### **27. Matters Arising**

*Minute no.7, Commonwealth Games Legacy Enhancement Fund Summary Report and Minute no.10 Global West Midlands -Strategic Outline Case*

Councillor Hughes reported that he had noted a discrepancy in the funding table in the Commonwealth Games Legacy Enhancement Fund Summary Report for Global West Midlands which should be £2.5m as stated in the Global West Midlands Strategic Outline Case report.

##### **28. Investment Programme Update and Dashboard**

The board considered a report of the Director of Commercial and Investment on the status of the Investment Programme to help set the context for the investment decisions being made.

The report provided an analysis of the overall regional Investment Programme expenditure, funded grants administered by the WMCA and match funding sources. Approved grant funding awarded and administered by the WMCA to programmes within the regional Investment Programme totalled £853.7m as of 30 June 2023. The report also set out Change Requests submissions for the Sprint Programme approved since the last meeting.

Resolved that:

1. Approval under delegated authority by WMCA Officers of the business case submissions as disclosed at section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit as outlined in section 4 of the report be noted;
3. The Regional Investment Programme delivery update detailed within this report and appendices (including the project level summary within the WMCA Investment Programme dashboard at Appendix 2) be noted.

**29. Update Report: City Region Sustainable Transport Settlement - Quarter 4 FY 2022-23**

The board considered a report of the Executive Director of Transport for the West Midlands that provided a quarterly update on the status of the City Region Sustainable Transport Settlement ('CRSTS') to help set the context for any decisions being made by the board.

The Head of Strategy & Intelligence, Carl Beet, outlined key highlights from the report. This included an update on progress of the programme, TfWM Programme Monitoring Plans, approved funding, key risks, the 2022-23 Annual Monitoring Report, updated CRSTS funding terms and conditions and the national funding announcement of CRSTS2.

Councillor Simkins (Wolverhampton) commented on the need to ensure the WMCA obtains as much money as possible from the £8.8bn available for CRSTS2 as the West Midlands was struggling for transport funding.

The Head of Strategy & Intelligence reported that local area strategies and plans were being developed for the Local Transport Plan ahead of guidance being issued by Government which, would enable the region to be 'ahead of the curve'. He advised that draft proposals for the Local Transport Plan were being prepared with local authority officers and would ensure everyone was sighted on them.

Further to an enquiry from Councillor Simkins regarding a confirmed date for the opening of the Metro extension in Wolverhampton City Centre, Carl Beet reported he would find out the answer and let Councillor Simkins know shortly.

Resolved that:

1. The status of the City Region Sustainable Transport Settlement change control application submitted to the Department for Transport set out in section 4 of the report be noted;
2. The proposal to formally re-base the CRSTS1 programme allowing for overprogramming, ready for further consideration by WMCA Board in September 2023, working with all scheme promoters to ensure realism over scheme costs, spending and delivery profiles for schemes (this is in response to the DfT's 'once in a programme' opportunity to re-baseline the programme) as set out in Section 4 be noted;
3. The monitoring and evaluation reporting requirements associated with the City Region Sustainable Transport Settlement set out in Section 5 of the report be noted;
4. The programme monitoring plans set out at Section 6 of the report be noted;
5. The Quarter 4 FY22-23 progress reported at Section 7 of the report be noted;
6. The key points concerning the CRSTS1 Memorandum of Understanding updated terms and conditions that the WMCA Section 151 Officer is required to sign-off, set out at Section 8 of the report be noted;
7. The announcement from Central Government within the Spring Budget for a second round of CRSTS ('CRSTS2') summarised in section 9 of the report be noted and
8. The CRSTS Annual Monitoring Report for FY22-23 at Appendix 1 of the report be noted.

**30. WMCA Commercial Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Commercial Investment Fund dashboard (public iteration) as at 1 July 2023.

Resolved: That the report be noted.

**31. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report detailing the Brownfield Land and Property Development Fund (public iteration) as at 1 July 2023.

Resolved: That the report be noted.

**32. WMCA Residential Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Residential Investment Fund dashboard (public iteration) as at 1 July 2023.

Resolved that: The report be noted.

**33. Commonwealth Games Major Events - Programme Business Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval of £6m from the Commonwealth Games Legacy Enhancement Fund for the Programme Business Case to establish a Major Events Fund.

Pip Abercromby, West Midlands Growth Company (WMGC), outlined the report and advised that £6m allocation from the Legacy Enhancement Fund would enable WMGC to host and stage major sporting, business and cultural events that would deliver regional economic impact. It was noted that these events would require competitive bids to be developed and won, and financial commitments from local authorities to host.

In relation to a comment from the Chair regarding the commitment to allocate £3m for the SportAccord event, which was a significant sum, Pip Abercromby advised that £3m was the maximum amount for the event but this was subject to change as WMGC were looking for a sponsor for the event.

Councillor Clarke (Dudley) noted a sizeable amount of the funding (for SportAccord) was going to Birmingham and enquired whether funding could support local events such as Dudley's Grand Prix.

Pip Abercromby reported that WMGC was looking at the Dudley Grand Prix over 2 years and other events that would bring economic returns. She added that nominations were awaited from local authorities who could all apply for funding.

Councillor Thompson (Birmingham) reported that she was hugely support of SportAccord that would bring opportunities for the region not just Birmingham.

Councillor Simkins (Wolverhampton) reported of the need to ensure there was an equitable share of funding across the WMCA area to benefit everyone and to bring communities together.

The Executive Director of Finance & Business Hub, Linda Horne, advised the board that they were not required to approve SportAccord today; the decision would be taken by the Executive Board within the next few days.

Resolved that:

1. The appended programme business case which seeks £6m from the Commonwealth Games Legacy Enhancement Fund to establish a Major Events Fund be approved;
2. The proposed governance arrangements to ensure the Major Events Fund is administered in collaboration and transparent manner be agreed;
3. That delegated authority be given to the interim Director of Employment, Skills, Health and Communities, in consultation with the Executive Director of Strategy, Integration and Net Zero, WMCA Section 151 Officer and WMCA Monitoring Officer to onward award funding be agreed and
4. That a decision on SportAccord is being considered in parallel be noted.

### **34. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and the public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person(including the authority holding that information).

### **35. Smart Region Health, Care and Connectivity Programme -Full Business**

The board considered a report of the Executive Director Strategy, Integration and Net Zero, that sought approval of the full business case for the Smart City Region Health Care and Connectivity Programme that would be submitted to the Department for Levelling Up, Housing and Communities (DLUHC).

Robert Franks, WM5G Ltd outlined the report that set out how the Smart City Region, Health, Care and Connectivity programme would focus on scaling-up technology trials that the West Midlands has already successfully trialled, to deliver more effective and efficient health and social care services and boost productivity.

The Chair commented that the programme was a really important step in helping to address health inequalities in the region.

Resolved that:

1. The full business case for the Smart City Region Health, Care and Connectivity Programme that will be submitted to the Department for Levelling Up Homes and Communities (DLUHC) be approved;
2. That any non-material variations from the Business Case may be negotiated by the WM5G Ltd Team provided such are approved by the Investment and Commercial Director in consultation with the S151 Officer of the WMCA be endorsed;
3. That a Funding Agreement be entered into to enable the WMCA to receive funding from DLUHC and a back-to-back agreement to WM5G Ltd on the same primary terms and any negotiations of terms be approved by the s151 Officer with suitable legal advice be endorsed;
4. That the WMCA may enter into any necessary agreements with third parties to receive or for WM5G to receive up benefits in kind from third parties with suitable legal advice be endorsed.

### **36. Chancerygate, Holbrook Lane - Phase 1 and Phase 2 Update**

The board considered a report of West Midlands Development Capital (WMDC) that sought endorsement of the removal of a £20m cap on an existing loan from the Commercial Investment Fund and a new overall cap of £25.5m, to allow the 'Company' to take forward Phase 2 of the development.

Ed Bradburn (WMDC) outlined the report and explained the reasons for the change to the loan cap.

The Chair noted that the new loan cap was over £20m and would need the approval of the WMCA Board.

The board asked to receive an update on the project every 3 months.

Resolved that:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. It be recommended to the WMCA Board that the £20m loan cap be removed and a new overall cap of £25.5m, across the two phases, to allow the 'Company' to continue the build of Phase 2 now that the forward sale has fallen away be approved;
3. Amending the term on Phase 1 to line up with the expiry of Phase 2 be endorsed;
4. Amending the pricing to reflect the fact that Phase 1 is completed, and part-let and the Phase 2 is now being delivered without the benefit of the forward sale be endorsed;
5. The introduction of interest cover covenants and amortisation triggers be endorsed;
6. The negotiation and approval of the final terms of the loan be delegated to the Director of Commercial and Investment in consultation with the s.151 Officer and Monitoring Officer be agreed and
7. **The board receive an update on the project every 3 months.**

### **37. Beldray Industrial Estate**

The board considered a report of West Midlands Development Capital (WMDC) that sought approval for loan funding from the Commercial Investment Fund to facilitate the acquisition and refurbishment of 82ksqft of outdated industrial space in Bilston.

Ed Bradburn (WMDC) presented the report and advised the board that the main objective of the refurbishment was to improve the green credentials of the property to enable the 'Company' to continue to let the units in the future. It was noted that the units are tired and are in need refurbishing to improve their EPC ratings.

Resolved that:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. The comments made by the Investment Panel when the proposal was presented be noted and
3. The loan investment from the Commercial Investment Fund, for the amount specified in the report, to the 'Company' (a yet to be incorporated SPV owned 90/10 between the two companies identified in the report) for a term of 4 years be approved.

**38. WMCA Commercial Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Commercial Investment Fund dashboard (private iteration) as at 1 July 2023.

Nick Oakley, West Midlands Development Capital (WMDC) provided an update on 'live' schemes.

Councillor Hughes (Sandwell) reported that he would like to have a meeting with WMDC and Sandwell Officers. Nick Oakley (WMDC) undertook to arrange a meeting.

Resolved that: the report be noted.

**39. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report detailing the Brownfield Land and Property Development Fund (private iteration) as at 1 July 2023.

Nick Oakley, West Midlands Development Capital, advised the board that a report on Yardley Brook would be submitted to the meeting in September.

Resolved that: the report be noted.

**40. WMCA Residential Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Residential Investment Fund Dashboard (private iteration) as at 1 July 2023.

Resolved: that the report be noted.

**41. Housing & Land Fund Dashboard**

The board considered a report detailing the Housing and Land Fund dashboard that provided an update on the Brownfield Housing Fund, National Competitive Fund and Land Fund since the last meeting.

Resolved: That the report be noted.

**42. Update on Stone Yard**

The board received a presentation from Simon Dancer (Amion Consulting) that provided an update on the Stone Yard project.

The presentation outlined progress to date and the next steps.

It was noted that a report on the project would be submitted to a future meeting of the board.

Resolved that: the presentation be noted.

**43. Land and Property Investment Fund (LPIF)**

The board considered a report detailing the Land and Property Investment Fund as at 5 July 2023

Resolved that: The report be noted.

The meeting ended at 11.34 am.





## West Midlands Combined Authority

### Overview & Scrutiny Committee

Monday 4 September 2023 at 10.00 am

#### Minutes

##### Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar (Vice-Chair)	Coventry City Council
Councillor Philip Bateman MBE	City of Wolverhampton Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Ewan Mackey	Birmingham City Council
Councillor Emma Marshall	Worcestershire Non-Constituent Local Authorities
Councillor Lauren Rainbow	Birmingham City Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Business Representative

##### In Attendance

Deborah Casey	Homes England
Dan Essex	Governance & Scrutiny Manager
Linda Horne	Executive Director of Finance and Business Hub
Rob Lamond	Head of Strategy & Analysis (Housing)
Lyndsey Roberts	Statutory Scrutiny Officer
Jaspal Seehra	Performance Manager
Laura Shoaf	Chief Executive
Councillor Vera Waters (joined via MS Teams)	Walsall Metropolitan Borough Council

##### Item No. Title

##### 144. Apologies for Absence

An apology for absence was received from Councillor Paul Moore (Sandwell).

##### 145. Chair's Remarks

##### (a) Oversight & Monitoring of Arm's Length Companies

The Chair reported that the WMCA had now established a formal process to monitor the activities of its arm's length companies and the outputs delivered for the region. The Audit, Risk & Assurance Committee and the Executive Board would receive activity reports on a regular basis.

**(b) Challenging Year for Scrutiny**

The Chair reminded the committee that although it was going to be a challenging year for scrutiny with the forthcoming Mayoral election in May 2024, the committee needed to remain impartial whilst continuing to hold the Mayor and the WMCA to account on its aims and objectives.

**146. Minutes - 10 July 2023**

The minutes of the meeting held on 10 July 2023 were agreed as a correct record.

**147. Matters Arising**

**(a) Social Housing Fund** (minute no. 136(b))

The Chief Executive confirmed that the Task & Finish Group that comprised of officers from the seven local authorities had proposed that the Social Housing Fund of £14.9m was to be devolved to local authorities in an equal share. In response to a question raised by Councillor Jamie Tennant, she agreed to confirm the officer representing Birmingham City Council on the Task & Finish Group.

**(b) Grant Register (Wolverhampton Metro Extension)** (minute no. 141)

The Chief Executive confirmed that passenger tram services to Wolverhampton railway station would commence shortly, subject to driver training. Councillor Phil Bateman emphasised the need to be kept apprised on potential opening dates and any issues so that he could address these matters directly with the City of Wolverhampton Council.

**148. English Devolution Accountability Framework - Scrutiny Protocol Progress Update**

The Governance & Scrutiny Manager reported that the Department for Housing, Levelling Up & Communities had convened a small working group to help develop the contents of the scrutiny protocol, which was expected to be published in October. Members sought assurances that an opportunity to review and comment on the protocol as soon as it was published would be provided and that a full report would be presented to the committee.

The committee also noted the progress being made with the development of the terms of reference for the region's MPs and Mayoral Q&A sessions and the practical arrangements with regards to hosting the session within the region.

Resolved:

That the latest position regarding the development of the scrutiny protocol and the terms of reference for the forthcoming MPs and Mayoral Q&A sessions be noted.

#### **149. Affordable Homes Programme**

The committee considered a report of the Interim Executive Director of Housing, Property & Regeneration on the trailblazer approach to delivering the affordable homes programme in the West Midlands, as set out in the Deeper Devolution Deal agreed by WMCA and the Government in March.

Within the Deeper Devolution Deal, the Government committed to piloting a new, two-phase trailblazer approach to the Affordable Homes Programme in the West Midlands. The Affordable Homes Programme was the Government's flagship programme for delivering affordable housing in England, providing grant funding towards the supply of new social and affordable housing.

The committee discussed and shared comments on estate regeneration, the proportion of housing tenures to be delivered through the affordable programme, including affordable and social rents, the opportunities available to utilise the investment to deliver more social and affordable homes by 2026 and the proportion of affordable homes to be delivered as part of the Ladywood estate regeneration scheme.

[Amanda Tomlinson declared an interest in this item, as a member of the West Midlands Housing Association Partnership]

Resolved:

- (1) The progress following the announcement of the Deeper Devolution Deal in March 2023, specifically on the joint working of the Homes England and WMCA teams relating to the Affordable Homes Programme, be noted;
- (2) The ongoing engagement with local authorities and other partners be noted, and members of the Overview & Scrutiny Committee be encouraged to contribute to the ongoing engagement within local authorities and provide links where necessary; and
- (3) The observations and comments of the Overview & Scrutiny Committee regarding the need to be kept apprised on the use of the grant to regenerate estates, together with examples as to where local authorities were seeking to work with the WMCA to regenerate estates, resource and funding post 2026, be noted.

#### **150. Affordable Housing Supply Strategy**

The committee considered a report of the Interim Executive Director for Housing, Property & Regeneration that provided a progress update on the emerging Affordable Homes Supply Strategy.

Since the last report to the Overview & Scrutiny Committee in January 2023, the agreement of the Deeper Devolution Deal and the significant implications for the delivery of affordable housing in the region had resulted in a pause for the development of the strategy in order to focus on the short-term mobilisation and implementation of joint working with Homes England.

Members welcomed the development of zero carbon homes but also highlighted the importance of the creation of green spaces. In addition, the provision of information to enable benchmarking to be undertaken in future years was also considered to be important. The Head of Strategy & Analysis provided an overview of the development of the strategy, together with the ongoing work with local authorities and assured the committee that Transport for West Midlands was involved in the development of the strategy, as the provision of transport infrastructure was key when building homes.

[Amanda Tomlinson declared an interest in this item, as a member of the West Midlands Housing Association Partnership]

Resolved:

- (1) The work on developing an 'Affordable Homes Supply Strategy', as commissioned by the Housing & Land Delivery Board, which was progressing in light of the additional remit for Affordable Homes Programme in the region as confirmed in the Deeper Devolution Deal, be noted;
- (2) The work to co-develop an integrated strategy with partners, directly supporting key policy agendas of the WMCA and local authorities through enabling affordable housing delivery and addressing issues of affordability in a co-ordinated and holistic way, be noted;
- (3) The observations and comments of the Overview & Scrutiny Committee on the creation of green spaces in addition to zero carbon homes and the importance of key performance indicators and the provision of information to undertake benchmarking in future years, be considered further; and
- (4) The Overview & Scrutiny Committee to have sight of the draft Affordable Housing Supply Strategy when available for consideration.

#### **151. Affordable Housing Pilot**

The committee considered a report of the Head of Strategy & Analysis on the ongoing work of the WMCA and housing association partners to establish a more comprehensive collective approach to the delivery of additional affordable housing across the region.

The Chair welcomed the report but expressed concern at the pace of delivery and sought assurances that the delivery of modular builds had been considered by the housing association partners. The Head of Strategy & Analysis confirmed that within the current negotiations there was a recognition of his type of build, with a view to use a local supplier.

The Head of Strategy & Analysis agreed to keep the committee apprised on next steps and timescales.

[Amanda Tomlinson declared an interest in this item, as a member of the West Midlands Housing Association Partnership]

Resolved:

- (1) The continuing progress of collaboration between WMCA and registered providers of affordable housing, including the ongoing work to establish a pilot project, between the WMCA and a consortium of West Midlands housing associations as part of testing the strategic intent of a joint approach to deliver additional affordable housing, be noted; and
- (2) This work in the context of the emerging 'Affordable Homes Supply Strategy' and the Deeper Devolution Deal implications for the Affordable Housing Programme with Homes England to improve the collaboration and co-investment in the region and to enable more social and affordable housing delivery to meet local needs, be noted.

**152. Performance Reporting against Annual Business Plan Deliverables**

The committee considered a report of the Executive Director of Finance & Business Hub on the monitoring and reporting of the Annual Business Plan, which set out all activity to be delivered in-year.

In terms of July's performance, there were seven red and amber high-level deliverables, of which one red was currently at risk that was in relation to the establishment of the 'Life Chances Commission'. The commission was a Mayoral commitment to better understand the barriers for young people within the region and the targeted initiatives that could be developed by the WMCA to address these barriers.

Resolved:

- (1) That the performance of the WMCA against the Annual Business Plan deliverables be noted; and
- (2) The observations and comments of the Overview & Scrutiny Committee on the need for future reports to include additional information on the amber risks and consideration be given to the possibility of a holistic dashboard that identified the outcomes considered by the WMCA's respective committees and boards, be considered.

**153. Grant Register**

The committee considered a report of the Executive Director of Finance & Business Hub that provided an update on the grant register which contained all current 'live' grants where the WMCA was the accountable body and captured a comprehensive total of grants, awarding body, time period for delivery and a description of what the grant delivered.

In relation to the capital funding for the Pothole Fund announced as part of the 2023 budget, the detail on the allocation of the fund was set out within the current WMCA's Financial Monitoring Report, in which the funds would be 'passported' through to the individual local authorities.

Resolved:

That the report be noted.

**154. West Midlands Combined Authority Loan to Woking Borough Council**

The Chair reported that a focus for the committee for this year was to involve the WMCA's Statutory Officers in scrutiny and had invited the Executive Director of Finance & Business Hub to provide an update on the WMCA's loan to Woking Borough Council and the action taken as a result of the council issuing a Section 114 Notice.

Resolved:

That the update on the WMCA's loan to Woking Borough Council and the action undertaken by the WMCA, as a result of Section 114 Notice, be commended.

**155. Work Programme**

The committee considered its work programme of items that were to be considered at future meetings of the committee.

With regards to the regeneration of brownfield land, the committee agreed to undertake a scrutiny review to assess how the WMCA exercised its powers and funding in respect of brownfield land redevelopment and assess how the region's communities have benefited from this.

Resolved:

That the work programme be noted.

**156. Date of Next Meeting**

Thursday 19 October 2023 at 10:30am.

The meeting ended at 12.00 pm.



## West Midlands Combined Authority

### Transport Delivery Overview & Scrutiny Committee

Monday 4 September 2023 at 1.00 pm

#### Minutes

##### Present

Councillor John McNicholas (Chair)  
Councillor Mary Locke (Vice-Chair)  
Councillor Pervez Akhtar  
Councillor Robert Alden  
Councillor Jennifer Hemmingway  
Councillor Amo Hussain  
Councillor Timothy Huxtable  
Councillor Carol Hyatt  
Councillor Emma Marshall

Councillor Martin McCarthy  
Councillor Saddak Miah  
Councillor Josh O'Nyons  
Councillor Gurmeet Singh Sohal  
Councillor David Stanley  
Councillor Antony Tucker  
Councillor Ian Ward

Coventry City Council  
Birmingham City Council  
Coventry City Council  
Birmingham City Council  
Sandwell Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Birmingham City Council  
City of Wolverhampton Council  
Worcestershire Non-Constituent Local  
Authorities  
Solihull Metropolitan Borough Council  
Birmingham City Council  
Solihull Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Coventry City Council  
Birmingham City Council

##### In Attendance

Carl Beet

Pete Bond  
Dan Essex  
Adam Harrison

Anne Shaw  
Sandeep Shingadia  
Lyndsey Roberts  
Kate Taylor

Head of Strategy and Intelligence -  
TfWM  
Director of Integrated Transport Services  
Governance & Scrutiny Manager  
Principal Policy and Strategy Officer -  
TfWM  
Transport for the West Midlands  
Transport for the West Midlands  
Statutory Scrutiny Officer  
Head of Finance Business Partnering  
and Strategic Planning

**Item No.**

**Title**

**14. Appointment of Vice-Chair**

Resolved:

Councillor Mary Locke be appointed Vice-Chair of the Transport Delivery Overview & Scrutiny Committee for 2023/24. The Chair explained that this now meant that a new Scrutiny Champion was required for the Passenger First Member Engagement Group. Councillor Carol Hyatt was appointed to this position.

**15. Minutes - 3 July 2023**

The minutes of the meeting held on 3 July 2023 were agreed as a correct record.

**16. Financial Monitoring Report**

The committee considered a report of the Executive Director of Finance & Business Hub covering the revenue budget, capital programme and the financial position as of the end of July 2023. It was noted that the TfWM Revenue Budget report showed a favourable variance of £2.0m; the TfWM Capital Programme report showed a favourable variance of £12.5m for WMCA delivered schemes and a favourable variance of £6.5m for externally delivered schemes.

In response to a question from Councillor Carol Hyatt, Kate Taylor confirmed that the finance performance was typical of TfWM finances due to a number of project and programme complexities. Councillor Robert Alden queried whether delays to the TfWM project would affect the delivery of infrastructure projects. He also asked whether the committee could call in external bodies that were delivering projects. Anne Shaw replied to say that there were currently no concerns with specific contracts and confirmed that external bodies could be held to account by the committee.

In response to Councillor Pervez Akhtar, Pete Bond undertook to submit a report on bus funding to be submitted to the next meeting of the Finance MEG. It was intended to submit full Capital Monitoring Reports to meetings of this committee later in the year.

Resolved:

- (1) The position as at the end of July 2023 against the TfWM Revenue Budget, which showed a favourable variance of £2.0m, be noted.
- (2) The TfWM Capital Programme position as at 31 July 2023 which showed a favourable variance of £12.5m for WMCA delivered schemes and a favourable variance of £6.5m for externally delivered schemes, be noted.



## **17. CRSTS Re-base Proposal**

The committee considered a report of the Executive Director, Transport for West Midlands on the CRSTS re-baseline exercise that was being undertaken across the programme.

Councillor Martin McCarthy asked about the replacement of environmentally unfriendly buses and if funds would be allocated for them. Pete Bond reported that the retrofit project had been paused to be reviewed to ensure that the retrofit had the desired impact.

Councillor Carol Hyatt asked if the deferred project costs would be deducted from any future funding. Carl Beet confirmed that the total cost of deferred project was totalled at £160 million which was about 14% of the current programme. He stated that future budgeting expected to be double the current CRSTS funds.

Resolved:

That the report be noted.

## **18. Deeper Devolution Deal – Scrutiny Implications**

The committee considered a report of the Director of Law & Governance on the scrutiny implications of the deeper devolution deal. The report covered background, progress and actions that would be undertaken going forward. This included the development and implementation of a scrutiny protocol by which the committee would be assessed.

In response to a question from Councillor Carol Hyatt, Dan Essex gave an overview of what would be expected of the committee including reporting for inclusion into the annual scrutiny report and promoting public awareness.

Resolved:

- (1) The announcement of the Government's Deeper Devolution Deal with the WMCA, along with its expected ratification by constituent authorities during September and by the WMCA Board at its meeting on 13 October, be noted.
- (2) The publication of the English Devolution Accountability Framework and the forthcoming scrutiny protocol, setting out the Government's expectations for local accountability within institutions exercising devolved powers be welcomed.
- (3) It be agreed that a further report be submitted to the committee when it meets on 30 October setting out in more detail the content of the scrutiny protocol and how the WMCA intends to apply it to its overview and scrutiny function.

## **19. Deeper Devolution (Transport) - Implementation Plan**

The committee considered a report of the Executive Director for Transport for West Midlands on an overview of the Deeper Devolution Deal between the WMCA and the Government and on its Transport Implementation Plan. The report covered the background of the deal and transport commitment as well as the implementation plan itself.

Councillor Mary Locke stressed that the passengers should be included in any implications considered. Councillor Emma Marshall agreed and suggested that a 'a one size fits all' approach would not be appropriate as different sized cities, towns and villages would all have different requirements.

In response to Councillor Tim Huxtable, Carl Beet confirmed that transport corridors were being assessed to try and establish the best mode of transport for each corridor. Anne Shaw also confirmed that work was being conducted with local authorities to establish this and the revised CRSTS programme would be shared imminently.

Councillor Pervez Akhtar noted the importance of ensuring that the programme of works were funded. The Chair requested that this matter be explored further and requested six monthly reports on the Implementation Plan.

Resolved:

- (1) The Deeper Devolution Deal agreement between the WMCA and Government, and its implications for the future transport system, be noted.
- (2) Six-monthly progress reports on the Transport Implementation Plan be submitted to future meetings of the committee.

## **20. Member Engagement Groups – Progress Report**

The Chair presented the MEG progress report. He stated that the MEGs provided a forum for members to gain a deeper understanding of matters that could not be covered in detail during committee meetings. He reported on the activity of MEG Champions, relaying that he would be meeting with them monthly and they would be attending agenda briefings.

As a result of a comment from Councillor Mary Locke, it was agreed by the committee that in the next municipal year, no member engagement groups would be held during the school holidays.

In response to Councillor Carol Hyatt, it was agreed that members of the committee would be invited to attend all future meetings of the MEGs if they wished to do so.

Resolved:

The MEG progress report be noted.

**21. Work Programme**

The committee considered a report of the Statutory Scrutiny Officer on the items of business to be considered at future meetings. A Q&A session would be held in October with the Portfolio Lead for Transport on transport policy and delivery related matters.

Resolved:

That the report be noted.

**22. Any Other Business**

Councillor Pervez Akhtar proposed that the committee received an update on the WMRE Rail Ticket Offices Closure Consultation. This was agreed to be presented at the next committee in October.

**23. Date of Next Meeting**

Monday 30 October 2023 at 1.00pm

The meeting ended at 3.00 pm.

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**West Midlands  
Combined Authority**

## **Economic Growth Board**

**Friday 22 September 2023 at 9.00 am**

### **Minutes**

#### **Present**

Councillor Adrian Andrew  
Councillor Ian Courts  
Councillor Stephen Simkins  
Councillor Bob Sleigh (Chair)  
Sarah Windrum  
Professor Aleks Subic

Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
City of Wolverhampton Council  
Portfolio Lead for Finance & Investments  
Business Representative  
Higher Education Sector

#### **In Attendance via MS Teams**

Councillor Paul Bradley  
Councillor Matthew Dormer  
Corin Crane  
Matthew Hammond

Dudley Metropolitan Borough Council  
Non-Constituent Authorities  
West Midlands Chamber of Commerce  
West Midlands Growth Company

#### **Item No.**

#### **19. Appointment of Chair**

The board agreed to appoint Councillor Bob Sleigh to chair this specific meeting and to note that Councillor Stephen Simkins has been appointed by the Mayor as Portfolio Lead for Economy and Innovation and would assume the chair of the board with effect from the next meeting.

#### **20. Apologies for Absence**

Apologies for absence were received from Councillor Cotton (Birmingham), Councillor Duggins (Coventry), Councillor Piper (Sandwell), Andy Street, Anita Bhalla and Mike Wright.

#### **21. Minutes - 12 July 2023**

The minutes of the meeting held on 12 July 2023 were agreed as a true record.

#### **22. Economic Conditions in the West Midlands**

The board considered a report of the Executive Director for Strategy, Economy and Net Zero that provided a summary of the latest quantitative economic and regional labour market intelligence and qualitative insight from West Midlands businesses via the Regional Business Council and the West Midlands Business Insight Forum to help support the board in making decisions.

Councillor Simkins (Wolverhampton) commented that as an authority, Wolverhampton looks at its claimant count figures and found these to be misleading if badged with zero-hour contracts as people could work one month and not the following month. He considered the need to remove Universal Credit from the figures to provide data on sustainable employment that reflects the true picture across the West Midlands.

It was agreed this issue would be taken forward.

Councillor Courts (Solihull) commented that youth unemployment continues to be a real problem in North Solihull and Birmingham and considered the need for the board to focus on the matter. He enquired whether officers have any potential action streams for dealing with the issue.

Jonathan Skinner, Head of Economic Policy & Partnerships, explained the work being undertaken across the WMCA with local authorities and colleges with regards to skills and youth unemployment and reported that this was a 'hot spot' issue as the challenge was not evenly spread.

Charlie Hopkirk (Economist Intelligence Unit) reported that he would share the online link that was related to the skills activity with the board.

Councillor Courts (Solihull) added that the private sector would resolve youth unemployment and reported of the importance of engaging with employers on skills shortages for them to train young people.

Councillor Andrew (Walsall) considered it would be helpful to set out what is happening with regards to youth unemployment across the West Midlands and referred to schemes introduced in Walsall to help young people. He also felt that it would also be useful to understand how the apprenticeship levy was being spent.

Corin Crane (West Midlands Chambers of Commerce) considered the need for a 'deep dive' into the key issues raised to identify the practical actions that can be taken forward.

Resolved that:

The current economic conditions for the West Midlands including the monthly dashboard (Appendix 1) and insight from the region's businesses via the WM Business Insights Forum and the WM Regional Business Council be noted.

**23. Deeper Devolution Deal - Economic Elements, including the Strategic Productivity Partnership**

The board considered a report of the Executive Director for Strategy, Economy and Net Zero that provided an overview of the work being undertaken to capitalise on the Deeper Devolution Deal with a specific focus on three economic areas relevant to this board; business productivity, innovation and trade & investment.

The report also sought endorsement to the draft terms of reference for the Strategic Productivity Partnership, the approach to the West Midlands International Strategy and for the West Midlands Growth Company (WMGC) to act as the lead agency for trade and investment of behalf of the West Midlands.

Jonathan Skinner, Head of Economic Policy & Partnerships, introduced the report and Katie Trout (WMGC) outlined the work being undertaken with regards to trade and investment.

Further to a comment from Councillor Courts (Solihull) regarding the need to utilise every asset in the region for its promotion to sell the West Midlands, Sarah Windrum (Business Representative) concurred and reported that the Innovation Board was engaging with businesses including smaller businesses through science parks and was looking to join up youth unemployment with productivity.

Councillor Simkins (Wolverhampton) commented on the need to obtain sustainable funding for the long-term, noting the loss of EU funding and with regards to the draft terms of reference for the West Midlands Strategic Productivity Partnership and its objectives, considered that Business Support *must* form part of the WMCA's simplified funding settlement in the future rather than 'may' as stated in the report.

The Executive Director for Strategy, Economy & Net Zero, Ed Cox, reported that he agreed more long-term, sustainable funding for business support was needed from Government. However, the single settlement was currently being negotiated with Government and whilst the WMCA could push for further funding for business support and include 'must' in the terms of reference, this was not the WMCA's decision.

The board discussed whether the inclusion of the word 'must' in the terms of reference for the West Midlands Strategic Productivity Partnership, could harm/hinder the WMCA's negotiating position with regards to the single settlement and agreed to the Chair's proposal that advice be sought on the matter and it be discussed further at the next meeting.

Resolved that:

1. The economic rationale and approach to the Strategic Productivity Partnership, as set out in paragraphs 2.4- 2.7 of the report be endorsed;
2. The draft terms of reference for the Strategic Productivity Partnership attached as Appendix 1 be agreed in principle, subject to advice being sought on the inclusion of the word 'may' or 'must' for Business Support (to form part the WMCA's simplified funding settlement in the future) and this be discussed at the next meeting and

3. The approach to the Trade and Investment strand, including the West Midlands International Strategy and to agree the West Midlands Growth Company acts as the lead agency for trade and investment on behalf of WMC be endorsed.

**24. Presentation- Overview of the Digital Workstream**

This item was deferred to a future meeting.

**25. Business Growth West Midlands**

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that provided updates on Business Growth West Midlands since July; UK Shared Prosperity Fund grant, the commissioning of regional programmes and Department for Business and Trade Growth Hub funding.

The report set out a proposed approach for delivering additional support to West Midlands businesses following the securing of £380,000 of Department for Business and Trade 'Growth Hub' funding.

Paul Edwards, Head of Economic Development & Delivery, summarised key highlights from the report and conveyed his thanks to local authority and Growth Hub colleagues for shared and excellent working towards a common goal for the region.

Sarah Windrum (Business Representative) reported that the launch event held earlier in the month was a fantastic event which had received very positive feedback from those businesses attending and the website was easy for businesses to navigate.

In relation to comments from Councillor Simkins (Wolverhampton) regarding the need to have conversations/communications with businesses to ascertain how they can be supported, especially small businesses to help formulate the strategy for the five-year plan, the Executive Director for Strategy, Economy & Net Zero, Ed Cox, reported that a 'Hub and Spoke' model was in place for business support whereby local authority business advisers would be speaking to SMEs in their respective areas about opportunities and their needs to help shape funding strategy.

Corin Crane (West Midlands Chambers of Commerce) added that there were hundreds of business federations across the West Midlands and the Chambers of Commerce could provide feedback to local authorities upon request.

Councillor Andrew (Walsall) commented that business engagement has been undertaken via the LEPs for a long time and following the demise of the LEPS it might be timely to look at a refresh to ensure knowledge is retained.

Resolved that:

1. The updates be noted and



2. The proposed approach for delivering additional support to West Midlands businesses be agreed.

**26. Further Education Innovation Fund**

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that set out plans for a new Further Education Innovation Fund for further education colleges in the WMCA area and sought agreement to the proposed governance arrangements.

Steven Heales, Policy Manager (Innovation) reported on the new Innovate UK Further Education Fund that has grant funding of £10m to award to further education colleges in the UK for new pilot projects to strengthen their role in local innovation ecosystems.

It was noted that as part of the Devolution Deal, Innovate UK has ringfenced £2.5m from the Further Education Innovation Fund for the WMCA area further education colleges. The funding pool would open in October 2023 and the WMCA would make the final selection of projects by the end of March 2024. The board was invited to share their advice on how to maximise the impact of the fund.

Councillor Simkins enquired as to how the funding would be distributed across the WMCA and reported that he did not want colleges to compete with each other.

David Gaughan, Head of Employer Services, reported that he was looking at sub-regional bids from a collection of colleges across the Black Country alongside colleges from Birmingham & Solihull and Coventry & Warwickshire to ensure there was no competition between colleges.

Resolved that:

1. That WMCA area further education colleges are invited to submit bids for a share of £2.5m grant funding from Innovate UK to run further education innovation policies be noted;
2. That the WMCA is convening and supporting relevant education colleges to develop bids for the grant that align to the West Midlands Local Skills Improvement Plan and the West Midlands Plan for Growth be noted and
3. Authority be delegated to the interim Director for Employment, Skills, Health & Communities in consultation with the Section 151 Officer and Monitoring Officer, to make the local selection decision for funded projects.

**27. Major Events Fund Update**

The board considered a report of the Director of Finance & Commercial, West Midlands Growth Company (WMGC) that provided an update on progress of the Major Events Fund since the last meeting. The report also sought approval of various documents listed in the report that were agreed by the Major Events Advisory Group.

The Director of Finance & Commercial, Pip Abercromby, provided an update on key activities since the last meeting including the first meeting of the major Events Advisory Group held on 4 August where Councillor Andrew was elected Chair.

Councillor Andrew (Walsall) reported of the need to ensure the major events held are successful, and impact the whole region given that the Leader of Walsall considered Walsall did not benefit from the Birmingham Commonwealth Games.

Resolved that:

1. Approval be given to the following documents which were considered and agreed by the Major Events Advisory Group:
  - (a) the governance for the Major Events Fund;
  - (b) the guiding principles for evaluation;
  - (c) the process timeline and process flow;
  - (d) the application form which has been issued to all eligible authorities, the scoring mechanism and criteria and
2. That a prioritised list of projects be submitted to the November meeting of the board for consideration and approval be noted.

**28. Leadership and Management Skills Training**

The board considered a report of the Interim Director for Employment, Skills and Health & Communities that outlined how the WMCA would respond to recent reports setting out that deficits in leadership and management skills are holding back the region's growth and creating a productivity challenge. The report sought approval to increase investment in leadership and management skills through the devolved adult education budget.

The Head of Employer Services, David Gaughan, advised the board that £3m from the devolved Adult Education Budget would be invested in four key areas of skills and management to training (aspiring leaders; strategic leadership, healthy and inclusive workforces supporting good work and adoption of technology) to support businesses and their employees through a range of engagement platforms including Business Growth West Midlands to support SMEs.

Councillor Courts (Solihull) reported that he supported the need for this training which was important but enquired as to how the WMCA knows these are the real areas that businesses think are important and how would the training proposed be adding value to what is already be provided. He added that businesses need to be asked what they think are the right areas of focus.

Sarah Windrum (Business Representative) advised that Midlands Engine Mental Health Productivity Pilot has undertaken a lot of work with line managers in this area and data has revealed managers are required to look after the mental health of staff as well as their own mental health. She indicated that as many line managers would be leaders/aspiring leaders of the future, she would like to see mental health training included as part of the training offer on healthy and inclusive workforces.

Corin Crane (West Midlands Chambers of Commerce) commented that the Local Skills Improvement Plan (LSIP) identified businesses did not know where to obtain good quality project management and leadership training and considered that business engagement would be key to the success of the project.

Resolved that:

1. Approval be given to increase the investment of leadership and management skills training across the WMCA through the devolved adult education budget and
2. The WMCA response to the local skills investment plan report specific to leadership and management training needs to employers be noted.

## **29. Economic Growth Board Work Programme**

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that provided an update on the board's work programme.

Councillor Courts (Solihull) considered that reports for this meeting needed to be reduced in length to a more manageable size as he felt it was not efficient to have lengthy document packs of more than a hundred pages. He reported of the need for reports to focus on the real issues and salient points.

The Executive Director for Strategy, Economy & Net Zero, Ed Cox, acknowledged the size of the board pack was large and advised that it was difficult to strike the right balance on the length of reports as there was a lot going on/ to report on. He informed the board that moving forward, he would look to group together several issues in a single report rather than submitting multiple papers.

He advised that further to the discussion at today's meeting on youth unemployment, he would add a 'deep dive' on the forward plan for a future meeting.

Resolved that:

The updated work programme attached at appendix 1 of the report be noted.

- 30. Date of Next Meeting**  
Thursday 16 November 2023 at 1.30pm

The meeting ended at 10.15 am.

DRAFT



## Audit, Risk & Assurance Committee

Wednesday 4 October 2023 at 10.00 am

### Minutes

#### Present

Mark Smith (Chair)

Councillor Nick Bardsley

Shropshire Council Non- Constituent  
Authorities

Councillor Dave Borley

Dudley Metropolitan Council

Councillor Jaspreet Jaspal

City of Wolverhampton Council

Councillor Brigid Jones

Birmingham City Council

Councillor Leslie Kaye

Solihull Metropolitan Borough Council

Councillor Ram Lakha OBE

Coventry City Council

Councillor Rose Martin

Walsall Metropolitan Borough Council

#### In Attendance via MS Teams

Councillor Richard Baxter-Payne

Warwickshire Non-Constituent  
Authorities

Lisa Ritchie

Business Representative

#### Item Title No.

#### 18. Apologies for Absence

Apologies for absence were received from Councillors Ashley and Preece.

#### 19. Chair's Remarks

The Chair reported that he continues to liaise with Councillor Cathy Bayton, Chair of the WMCA's Overview and Scrutiny Committee on issues of common interest. He advised that regular liaison meetings will also include the Chair of Transport Delivery Overview and Scrutiny Committee, Councillor John McNicholas, going forward.

#### 20. Minutes - 19 July 2023

The minutes of the meeting held on 19 July 2023 were agreed as a true record.

#### 21. Matters Arising

*6. Matters Arising – Minute no.58 Internal Audit- March 2023*

The Head of Financial Management, Louise Cowen, reported that the issue of debit balances of £8.8m on credit ledgers identified as part of the Key Financial Systems audit had been identified and addressed.

*6. Matters Arising- Minute no.61 WMCA External Audit Plan for 2022/23*

Grant Patterson. Grant Thornton reported that he hoped to advise of the name of the new Lead Auditor following a meeting this week and would contact the Head of Financial Management, Louise Cowen to arrange meetings with the Finance colleagues and the Chair of ARAC.

**22. Action List**

The Chair reported that most items on the action list would be dealt with at today's meeting.

Resolved that: the action list be noted.

**23. West Midlands Combined Authority Audit Progress Report and Sector Update**

The committee considered a report of the Executive Director of Finance and Business Hub that attached as an appendix a report by Grant Thornton that provided an update on progress in delivering their responsibilities as WMCA external auditors for the prior year 2021/22 and the current year audit 2022/23.

The Head of Financial Management, Louise Cowen, introduced the report and with regards to the 2022/23 audit, advised that the audit process had started on 3 July this year as the Annual Accounts were originally scheduled to be approved at this meeting. However, due to the increased complexity of the WMCA's accounts and other commitments by the external auditors, the process for the accounts approval has been delayed.

Further to the commentary provided by the Head of Financial Management, Grant Patterson, Grant Thornton, reported that the complexity of the WMCA's accounts had resulted in additional time needed to obtain the appropriate level of assurance. He advised that a timeline for the approval of the Annual Accounts would be discussed with Linda Horne, Executive Director of Finance and Business Hub next week and he hoped the process would be completed by the end of November.

In relation to the closure of 2021/22 Annual Accounts, Grant Patterson, Grant Thornton reported that the audit would shortly be concluded as the audit data received supports the outstanding issue related to the West Midlands Pension Fund.

The Chair reported that it would be good to resolve the Pension Fund liability issue as soon as possible.

Resolved that: the report presented by Grant Thornton be noted.

**24. WMCA Loan to Woking Borough Council - Briefing Note**

The committee considered a briefing note of the Executive Director of Finance and Business Hub that outlined the WMCA's loan to Woking Borough Council. The note was submitted for information following a request from the Chair at the previous meeting.

The Executive Director of Finance and Business Hub, Linda Horne, reported that the briefing note had initially been provided for the WMCA's Overview & Scrutiny Committee who wanted to be advised of local authority transactions following Woking Borough Council issuing a Section 114 Notice.

The Executive Director of Finance and Business Hub assured the committee that all transactions including loans undertaken by the WMCA are in accordance with the WMCA's Treasury Management Strategy and are not at risk as local authorities continue to trade with written assurance. She advised that in the light of the press coverage of the loan to Woking BC and potential reputational risk to the WMCA in the future, the decision had been taken to not forward deal by more than one month.

The Chair reported that he trusted the Lead Treasury Accountant would update the WMCA's Treasury Management Policy to reflect the change in operating practice. He asked that details be included in the Treasury Management report to the next meeting and reported that moving forward, it would be helpful to include details of forward commitments as an appendix in Treasury Management reports.

Resolved that: the briefing be noted.

**25. WMCA Strategic Risk Update**

The committee considered a report of the Executive Director of Finance & Business Hub that provided an update on the Strategic Risk Register.

The Risk Manager, Peter Astrella, outlined the key messages contained in the risk update including issues and three new strategic risks.

Further to enquiry from Councillor Jones (Birmingham) regarding the Single Settlement negotiation and ratification of the Trailblazing Devolution Deal by constituent authorities that were identified as new strategic risks, the Executive Director of Finance & Business Hub, Linda Horne provided the committee with an update on the timescales and process for the ratification of the TDD and reported that the Single Settlement would be negotiated with Government over the next 18 months.

In relation to an enquiry from the Chair regarding the issue of Buckingham Group Contracting Limited entering into administration and whether the WMCA has reviewed the due diligence around the award of the contract (design and build for Darlaston and Willenhall Rail Stations) to the company, the Risk Manager reported that he would ask TfWM colleagues to reflect on lessons learnt. The Executive Director of Finance & Business Hub added that she would report back on the matter to this committee and the WMCA Board to provide reassurance.

Resolved that:

1. The key messages in the Strategic Risk Update be noted and
2. The revisions/ planned revisions to the Strategic Risk Register be noted.

**26. Update on Internal Audit Resourcing**

The Chair reported that Peter Farrow was no longer leading on Internal Audit as the WMCA had decided to bring the Internal Audit function in-house.

The Chair asked that thanks be recorded to Peter Farrow and colleagues at Wolverhampton for resourcing internal audit since the WMCA was established.

The Head of Corporate Support & Governance, Julia Cleary, reported that job advertisements had been placed to recruit a Head of Internal Audit and Information Governance, a Senior Auditor and two Internal Auditors along with a Security and GDPR Officer and an Information Governance Officer to support and strengthen this area of the business.

The Internal Audit Liaison Officer, Loraine Quibell, reported on the interim audit arrangements that are in place until the new structure is implemented.

The Chair asked to receive a structure chart covering the new audit posts for the next meeting.

Resolved that: the update be noted.

**27. Internal Audit Update**

The committee considered a report of the Director of Law and Governance that provided an update on the work of the completed by Internal Audit so far, this financial year.

The Internal Audit Liaison Officer, Loraine Quibell, advised the committee that since the last meeting, the Head of Audit, Peter Farrow, had confirmed there was no change to the provisional audit opinion (reasonable assurance) for the Annual Internal Audit report following the completion of the outstanding audits.

In relation to comments made by Councillor Kaye (Solihull) at the last meeting regarding changing the categories of audit opinion, the Internal Audit Liaison Officer, Loraine Quibell reported that this issue would be reviewed when the new Internal Audit Team is in place.

It was noted that three audits had been completed since the last meeting that were appended to the report; the adult education budget and external funding arrangements had both been awarded a satisfactory level of assurance and the gifts and hospitality arrangements audit had been given a limited level of assurance.



The Interim Director for Employment, Skills, Health & Communities, Clare Hatton was in attendance to answer any questions relating to the adult education budget audit. It was noted that the recommendations contained within the report have been implemented and the concerns identified addressed.

Resolved that:

1. The contents of Internal Audit Update report be noted and
2. The confirmation of the 2022/23 Annual Audit opinion be noted.

**28. Key Financial Systems Audit: Accounts Payable Update**

The committee considered a report of the Executive Director of Finance & Business Hub that provided an update on progress in implementing the Accounts payable audit recommendations that were set out in the Key Financial Systems audit report for 2022/23.

The Head of Financial Management, Louise Cowen, advised the committee that as part of the WMCA Key Financial Systems Internal Audit report this year, Accounts Payable had received an overall audit opinion of 'Satisfactory' whilst the other areas audited, Accounts Receivable, Budgetary Control, General Ledger and Treasury Management had all received an audit opinion of 'Substantial'. The report submitted therefore set out progress to date in implementing the audit recommendations for Accounts Payable as requested by the Chair at a previous meeting.

The Head of Financial Management outlined the processes that have been put in place following the Internal Audit report and advised that most actions identified in the report would be completed by the end of December and would continue to be monitored by the team for an improved and effective Accounts Payable control environment.

Resolved that:

The progress update set out in the report on implementing the Accounts Payable recommendations in the Key Financial Systems audit report for 2022/23 be noted.

**29. Housing Investigation - Action Plan Update**

The committee considered a report of the Interim Director of Housing, Property and Regeneration that provided an update on the Action Plan agreed by this committee in January 2023 in response to the recommendations from an independent investigation carried out by CBRE.

The Head of Property & Strategic Assets, Nigel Ford was in attendance to present the report and respond to any questions.

It was noted that no further acquisitions for onward disposal or disposals completed have occurred since the Action Plan was agreed. The recommendations contained within the Action Plan would form part of a Single Property & Estates Strategy that was due for completion later this year.

The Chair asked that the committee be advised at an appropriate time in the future, when any assets have been acquired or disposed of.

Resolved that:

1. Progress on the Action Plan presented and agreed by the committee in January 2023 be noted and
2. The need to embed policies as part of the Action Plan for the Single Property & Estates Strategy to be approved later this year be recognised.

**30. Single Assurance Framework Assurance Performance Report April to June 2023**

The committee considered a report of the Executive Director of Finance and Business Hub that provides a quarterly update on progress of WMCA projects that have been assured through the Single Assurance Framework. The report outlined performance on business case assessments, health checks, risk & appraisals and change requests during the period April to June 2023.

The Head of Programme Assurance & Appraisal, Joti Sharma, outlined the report and referred to Section 4 of the report that identified key emerging assurance themes during the reporting period.

Resolved that:

The contents of the report be noted.

**31. Single Assurance Framework Annual Refresh 2023**

The committee considered a report of the Executive Director of Finance and Business Hub that provided background information on the requirement for the Single Assurance Framework (SAF) update and the changes made as part of this year's annual review and refresh.

A copy of the Single Assurance Framework was attached to the report

It was noted that the WMCA is required to take an annual refresh of its Single Assurance Framework in accordance with the Department for Levelling Up, Housing & Communities document, 'The National Local Growth Framework'

The Head of Programme Assurance & Appraisal, Joti Sharma outlined the report.

Resolved that:

1. The Single Assurance updates be noted and
2. The Single Assurance Framework attached to the report be endorsed to progress to the WMCA Board for approval.

### **32. Summary of WMCA Arm's length companies**

The committee considered a report of the Director of Law & Governance that informed them of the companies in which the WMCA has an interest having previously requested the information.

The Director of Law & Governance, Helen Edwards, outlined the report and advised the committee that work is ongoing in reviewing and monitoring the companies established by the WMCA/it is involved with.

The Chair reported that he was unable to gauge the size of the companies, company turnover, the number of people employed and the money going through West Midlands Development Capital from the report submitted.

The Director of Law & Governance, Helen Edwards, undertook to provide more details in the next report to the committee.

The Executive Director of Finance & Business Hub, Linda Horne, advised that Grant Thornton has visibility of the WMCA's companies, and the issues identified.

Grant Patterson, Grant Thornton confirmed that there were only 2 companies of material interest, these were Midland Metro Limited and WM5G.

Councillor Jones (Birmingham) considered it would be useful for the committee to receive a quarterly or half-year update on WMCA's companies that could provide a 'temperature check' for the committee.

The Director of Law & Governance, Helen Edwards, assured the committee that the WMCA closely monitors the companies in which it has an interest.

The Chair reported that he would like the committee to receive a regular report even if it is to note there has been no change to the current position.

Resolved that:

1. The information provided in the report be noted;
2. The Executive Board is reviewing the monitoring arrangements for each of the companies be noted and
3. The monitoring arrangements proposed be reported to a future committee be agreed.

### **33. Forward Plan**

The committee considered the forward of items to be reported to future meetings.

Resolved that: the report be noted.

### **34. Date of Next Meeting**

Monday 4 December 2023 at 10.00am

The meeting ended at 12.05 pm.

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## **Investment Board**

**Monday 16 October 2023 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Adrian Andrew  
Councillor Steve Clark  
Councillor Matthew Dormer  
Councillor Peter Hughes  
Councillor Karen Grinsell  
Gary Taylor

Walsall Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Non-Constituent Authorities  
Sandwell Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

#### **In Attendance via MS Teams**

Paul Brown  
Councillor Ian Courts

Business Representative  
Solihull Metropolitan Borough Council

#### **Item No.**

#### **44. Apologies for Absence**

Apologies for absence were received from Councillors Sleigh, Bird, O' Boyle and Simkins and Sue Summers.

Councillor Grinsell in the Chair

#### **45. Notification of Substitutes**

Councillor Bird had nominated Councillor Andrew to attend the meeting on his behalf.

Councillor Sleigh had nominated Councillor Courts to attend the meeting on his behalf.

#### **46. Minutes - 24 July 2023**

The minutes of the meeting held on 24 July 2023 were agreed as a true record.

#### **47. Investment Programme Update and Dashboard**

The board considered a report of the Director of Commercial and Investment on the status of the Investment Programme to help set the context for the Investment decisions being made.

The report provided an analysis of the overall regional Investment Programme expenditure, funded grants administered by the WMCA and Match funding sources. Approved grant funding awarded and administered by the WMCA to programmes within the regional Investment Programme totals £835.7m as of 30 September 2023.

It was noted that two applications from the Commercial Investment Fund were approved since the last quorate meeting of the Investment Board on 24 July due to the need for commercial expediency. These were: Westbeech Developments (Westminster Industrial Estate) and Chancerygate (GKN Site, Erdington).

Resolved that:

1. The two commercial Investment Fund loans approved by the Chief Executive of the WMCA due to the previous Investment Board not being quorate and the urgent commercial imperative to make such a decision, as detailed in Section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit as outlined in Section 4 of the report be noted and
3. The Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 2 of the report) be noted.

**48. WMCA Commercial Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Commercial Investment Fund dashboard (public iteration) as at 1 October 2023.

Resolved: That the report be noted.

**49. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report detailing the Brownfield Land and Property Development Fund (public iteration) as at 1 October 2023.

Resolved: That the report be noted.

**50. WMCA Residential Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Residential Investment Fund dashboard (public iteration) as at 1 October 2023.

Resolved: That the report be noted.

**51. Global West Midlands - Full Business Case**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that sought approval of funding for the full business case for Global West Midlands.

The full business case outlined how West Midlands Growth Company would work in partnership with the WMCA, local authorities and other partners to build on the pipeline of leads from the Birmingham Commonwealth Games Business and Tourism Programme, run a full programme of international promotion in key markets identified in the West Midlands International Strategy and deliver the Global West Midlands Programme.

The Chief Executive of West Midlands Growth Company, Neil Rami, highlighted key aspects from the report.

In relation to the monitoring and reporting of the Global West Midlands programme to Investment Board, the Chair asked that a six- monthly update be provided.

Resolved that:

1. The release of £12.2m of West Midlands Combined Authority funding to West Midlands Growth Company (WMGC) over the next two years to 31 March 2025 be approved. This is comprised of:
  - a. £9.9m from the Commonwealth Games Legacy Enhancement Fund allocation, from the total £14.1m agreed by the WMCA Board in March 2023, of which £2.5m was agreed by the Investment Board at the Strategic Outline Case stage:
    - i. £1.8m which has been utilised by WMGC in order to develop the Full Business Case and to begin delivery against the local and regional priorities in the Programme in Quarters 1 and 2 of 2023/24 and
    - ii. £0.7m which has been granted to local authorities from the WMCA to support an increase in capacity to deliver against priorities in the programme.
  - b. £1.6m of UK Shared Prosperity Funding for 2024/25 with the same amount previously released for 2023/24 by the WMCA Board on 16 December 2022.
  - c. £0.7m of WMCA core funding for 2024/25, with the same amount previously released for 2023/24 by the WMCA Board on 16 December 2022.
2. The appended Full Business Case and the total budget of £22.5m which includes all funding requesting in this report and approved at previous boards be noted and allocated as follows:

£21.8m for the West Midlands Growth Company with the WMCA providing £18m and the remaining £3.8m from commercial and other funding leveraged by the WMGC;

3. The WMGC funding will enable the delivery of WMGC's Business Plan 2023-25 which was agreed by the Economic Growth Board in July 2023 and is comprised of the following be noted:
  - £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to local authorities from the WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
  - £3.2m from the UK Shared Prosperity Fund
  - £1.4m from the WMCA core budget
4. The balance of WMGC budget is comprised of £3.8m of commercial and other funding leveraged by the WMGC be noted;
5. The WMGC's Business Plan 2023-2025 that was approved by the Economic Growth Board on 12 July 2023 be noted and
6. Agreed that Investment Board receive a six-monthly update report on the Global West Midlands Programme.

**52. Commonwealth Games Legacy Enhancement Fund -Sandwell MBC Aquatic Energy Costs - Business Justification Case**

The board considered a report of the Interim Director of Employment, Skills and Communities that sought approval of the Business Justification Case for the Sandwell Aquatic Centre Energy Costs from the Commonwealth Games Legacy Enhancement Fund. It was noted that it was agreed by the WMCA Board that all business justification cases funded from the Commonwealth Games Legacy Enhancement Fund would be submitted to Investment Board for approval.

The Assistant Director Borough Economy (Sandwell), Ben Percival, outlined the report and advised the board of the need for financial support from the WMCA due to the unprecedented rise in energy costs which posed significant challenges to the planned successful operation of the centre which was of regional importance.

He added that financial support was only being requested for the actual cost pressures and any underspends would result in undrawn funds that would be directed towards the regional Plan for Growth or Community Grants programme as set out in the WMCA Board report of 17 March 2023.

Councillor Courts reported that the WMCA Board strongly supports the facility but noted that the target objectives in the business case do not refer to the centre being a regional facility.

The Head of Health & Communities, Mubasshir Ajaz, reported that the facility was for the betterment of the region and agreed for the need to publicise it across the West Midlands.

The Assistant Director Borough Economy (Sandwell), Ben Percival, reported that from the 46 schools using the facility, 11 schools were non-Sandwell and advised that regional swimming events have been booked.



Also, it was hoped the national diving competition and other major swimming events could be hosted at the venue. In relation to the business case not referencing the facility as a regional one, it was noted that this was not included as it would impact the modelling; if the funding was not available, other centres would need to close rather than the Aquatic Centre.

In relation to an enquiry from Councillor Dormer regarding the 46 schools using the facility and where these came from, Ben Percival undertook to look into the matter.

Councillor Andrew considered it was vitally important that regional events could be hosted at the Aquatic Centre and enquired whether the facility had adversely impacted other swimming facilities. The Assistant Director Borough Economy (Sandwell), reported that the detrimental impact was not being tracked but facilities had been closed at Langley and Smethwick when the Aquatic Centre opened. The modelling with Sports England indicated the facility fulfils existing demand not over demand.

The Chair asked that changes in the demand and usage of the Aquatic Centre be tracked.

Resolved that:

1. The Sandwell Aquatic Centre Energy Cost uplift Business Justification Case for a maximum grant of £1,395,754 funded by the Commonwealth Games Legacy Enhancement Fund and subject to the terms and conditions of the funding agreement in place between DCMS and the WMCA and additional clawback clauses if there is an additional expected underspend be approved;
2. The release of £604,246 on the back of the previous March 2023 WMCA Board Commonwealth Games Legacy Enhancement Fund (CWGLEF) allocation be approved (such changes are in line with the WMCA's change control process, enabled by the Single Assurance Framework and signed off by the relevant boards of the WMCA and the change control process confirms that any underspends that emerge from the CWGLEF, are directed first towards the regional Plan for Growth or Community Grants programmes) be approved;
3. Subject to the approval of this investment, the WMCA pays a grant, quarterly in arrears, to Sandwell MBC from October 2023 based on monthly monitoring reports on actual spend and any additional underspends identified by 30 April 2024 be directed in line with the WMCA's change control process first towards the regional Plan for Growth or Community Grants programme be noted and
4. Sandwell MBC funds £515,323 of the energy costs and any overspend above the forecast of £1,911,077 be noted.

**53. Exclusion of the Public and Press**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and the public be excluded from the meeting during the consideration of the following items of business as they involve the likely disclosure of exempt information relating to the business affairs of any particular person (including the authority holding that information).

**54. Birmingham Hippodrome - Southside Building**

The board considered a report of West Midlands Development Capital (WMDC) that sought approval for loan funding from the Commercial Investment Fund for the sum specified in the report, to the 'Company', to assist with the purchase of the Southside Building enabling the refurbishment of the space at the 'Property'.

The loan would enable the 'Company' to undertake refurbishment works to elements of the 'Property' which have yet to be refurbished with the main aim being to provide further space to arts and culture businesses/individuals on flexible and minimal cost rents/terms.

The key terms were highlighted in section of 3 of the report and the loan would be fully secured by way of first charge over the property.

The Director of Commercial and Investment, Ian Martin, reported that he was supportive of the loan which was not a long-term debt and was less than £100 per square foot. He noted that the report confirmed that WMDC had spoken with the Borrower, and it was understood that the loan was facilitating purchase and development readiness with no expectation of the loan continuing after this initial term.

Resolved that:

1. The powers and ability of the WMCA to make the proposed loan be noted;
2. The loan investment from the Commercial Investment Fund for the amount specified in the report, to the 'Company' for a term of 5 years on the terms and conditions set out in the report be approved;
3. Authority be delegated to the Director of Commercial and Investment in consultation with the Section 151 Officer and Monitoring Officer to negotiate any other terms and conditions of the loan that are not set out in the report be agreed and
4. Authority be delegated to the Director of Commercial and Investment to exercise the rights granted to the WMCA under the terms of the loan to authorise the 'Company' on such terms as shall be considered appropriate to either (i) transfer any part of the development site, and/or (ii) grant any lease, easement, wayleave or other instrument in each case to either (a) any utility company and/or (b) any local authority in the exercise of its planning highway functions and (c) any third party in the discharge of any planning obligation be agreed.

**55. Update on Shard End**

Further to the report considered by Investment Board on 17 April 2023, the board received an update report from West Midlands Development Capital (WMDC) on the current position regarding £4.386m land remediation grant allocation (alongside matching request from HCA's Birmingham City Deal Programme) in respect of a contaminated site (former sewage works) with additional exceptional remediation and infrastructure costs to ultimately deliver 298 homes at the location at Shard End.

At the meeting on 17 April 2023, Investment Board agreed for the grant to be further extended and ring-fenced to Birmingham City Council until 31 August 2023, subject to 5 pre-conditions being met.

The board noted that the grant agreement had lapsed and whilst Birmingham City Council had made progress with the developer for a planned start on site before Christmas, there was no written confirmation from the Environment Agency on the proposed further revised remediation strategy and the resultant tax liability; the scheme would be undertaken at Birmingham's risk.

Gerald Ganaway (WMDC) reported that the Brownfield Land & Property Development Fund was oversubscribed, and the funding allocated to Birmingham for this scheme could be reallocated to other commercial schemes that require grant funding and are in a position to be delivered.

The Director of Commercial and Investment, Ian Martin, advised the board that there was no other WMCA funding Birmingham CC could apply for as the project did not meet the required intervention rate for housing under existing funds.

The board considered that it was unlikely Birmingham would receive a full review of the site from the Environment Agency within the next 4 weeks and Birmingham should therefore submit a new application (if they wished) for funding, given the grant agreement (approved October 2017) had lapsed.

Resolved that:

Birmingham City Council be advised that the grant funding agreement for Yardley Brook, Shard End has expired, and BCC be invited to submit a new (full) application for funding be agreed.

**56. WMCA Commercial Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Commercial Investment Fund dashboard (private iteration) as at 1 October 2023.

Nick Oakley, West Midlands Development Capital (WMDC) provided an update on 'live' schemes and informed the board that the Barberry, Rugby scheme had fallen away.

Resolved: That the report be noted.

**57. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report detailing the Brownfield Land and Property Development Fund (private iteration) as at 1 October 2023.

Nick Oakley, (WMDC) reported that the Mira Technology scheme would draw later this month.

Resolved: That the report be noted.

**58. WMCA Residential Investment Fund (RIF) - Dashboard**

The board considered a report detailing the Residential Fund dashboard (private iteration) as at 1 October 2023.

Nick Oakley, (WMDC) reported that Urban Splash – Port Loop scheme would draw later this month.

In relation to an enquiry from the Gary Taylor (Greater Birmingham & Solihull LEP) as to when the board could expect to receive a disposal strategy for housing, the Executive Director of Finance & Business Hub, Linda Horne, reported that a full update on the three housing and land funds would be submitted to the next meeting.

Resolved: That the report be noted

**59. Land and Property Investment Fund (LPIF)**

The board considered a report detailing the Land and Property Investment Fund as at 4 October 2023.

Resolved: That the report be noted.

The meeting ended at 11.09 am.



**West Midlands  
Combined Authority**

## Housing & Land Delivery Board

**Wednesday 18 October 2023 at 10.00 am**

### Minutes

#### Present

Councillor Ian Courts (Chair)  
Councillor Mike Bird  
Councillor Matthew Dormer  
Councillor Wayne Little  
Councillor Andy Mackiewicz  
Councillor Richard Smith

Suzanne Ward  
Councillor David Welsh

Portfolio Lead for Housing & Land  
Walsall Metropolitan Borough Council  
Redditch Borough Council  
Dudley Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Nuneaton and Bedworth Borough  
Council  
Environment Agency  
Coventry City Council

#### Item No.

#### 12. Apologies for Absence

Apologies for absence were received from Councillor Peter Butlin (Warwickshire), Councillor Jayne Francis (Birmingham), Jo Nugent (Homes England) and Councillor Richard Overton (Telford & Wrekin).

#### 13. Minutes - 10 July 2023

The minutes of the meeting held on the 10 July 2023 were agreed as a correct record.

#### 14. West Midlands Strategic Place Partnership Update

The committee considered a report of the Head of Strategy & Analysis updating it on the significant progress being made with the development of a West Midlands Strategic Place Partnership following the Trailblazing Devolution Deal announcement in March 2023. The report also outlined the work, engagement undertaken to date, the strategic direction of the partnership and the next steps to formally launching the Strategic Place Partnership with Homes England.

The Chair welcomed the joint up approach between the WMCA and Homes England, as the sharing of expertise and knowledge would be beneficial for the region. In regard to the funding opportunity from Homes England, the Chair sought details of the mechanisms in place for feedback of applications that were unsuccessful. Callum Smith, Homes England, provided detail on the schemes that had been awarded funding and some detail of the evaluation process that was undertaken which captured the strategic regeneration ambition. He also noted that all local authorities would have an opportunity to receive feedback. Councillor Mike Bird considered that schemes that did not use the allocation awarded to them should have those funds reinvested into the unsuccessful projects.

Resolved:

- (1) The significant progress made in developing a West Midlands Strategic Place Partnership with Homes England be noted and endorsed.
- (2) The 2023/24 revenue funding opportunity available for housing and housing-led mixed-used development schemes, where local authorities could submit applications for priority projects, be noted.
- (3) The intent for consultation on the work to date and how best the Strategic Place Partnership Business Plan could support delivery across the region be noted.

#### **15. Affordable Homes Programme and Supply Strategy Update**

The committee considered a report of the Head of Strategy & Analysis updating it on the trailblazer approach to delivering the Affordable Homes Programme in the West Midlands, as set out in the Deeper Devolution Deal agreed by WMCA and the Government in March 2023. The Government had committed to piloting a new, two-phase trailblazer approach to the Affordable Homes Programme in the West Midlands, this programme would provide grant funding towards the supply of new social and affordable housing.

The Chair requested that members be provided with the definition of affordable housing and the criteria used through Homes England scheme / Affordable Homes Programme. He also sought clarity on whether developers and other within the sector had been engaged with. The Head of Strategy & Analysis confirmed that the definition would be provided to members ahead of the next meeting. He also confirmed that developers, organisations and relevant individuals within the sector had been consulted with, along with the need to engage with local authorities to gather localised information and determine their obstacles and how they could be mitigated.

Suzanne Ward highlighted the need to ensure that this strategy addressed climate change in terms of future homes build. Councillor Mike Bird also highlighted the positiveness of the Help to Own Scheme in Wolverhampton and the need to encourage developers to participate in similar schemes.

Following discussions amongst members, it was agreed that a future report would be submitted to the board looking at Shared Ownership as part of the Affordable Homes Programme as well as a review of the Help to Own Scheme.

Resolved:

- (1) The progress following the announcement of the Deeper Devolution Deal in March 2023, specifically on the joint working of the Homes England and WMCA teams relating to the Affordable Homes Programme and the emerging Affordable Homes Supply Strategy be noted.
- (2) It be noted that the ongoing engagement with local authorities and other partners was ongoing, with engagement from Delivery Steering Group meetings and other necessary links into relevant stakeholders.

#### **16. Homes for Future: Draft Strategy**

The committee considered a report from the Interim Executive Director of Housing, Property & Regeneration summarising the work that had been undertaken on Homes for the Future, and the work to date on the implementation plan and communications strategy, including the launch event. Members were invited to make any final comments on the content of the strategy document.

The Chair sought clarity as to whether members of the board would be able to comment on any further draft and when the strategy would seek endorsement. The Interim Director of Housing, Property & Regeneration informed the board the report sought members final comments before being brought back to approval at a future meeting. The Programme Support Officer also informed members that they had seen several drafts of this strategy and informed members of the potential cost implications of the proposed technical standards.

Resolved:

- (1) The progress of the work to date to develop the Homes for Future programme for the West Midlands, with wide-ranging input from the Future Homes Taskforce and local authority partners across the region and other relevant stakeholders, be noted.
- (2) Comments on the final draft of the Homes for Future Strategy be noted.
- (3) The amendments to the report on costs prepared by Cast Consultancy be noted.

#### **17. Date of Next Meeting**

Wednesday 17 January 2024 at 10.00am.

The meeting ended at 11.25am.

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## West Midlands Combined Authority

### Overview & Scrutiny Committee

Thursday 19 October 2023 at 10.30 am

#### Minutes

##### Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar (Vice-Chair)	Coventry City Council
Councillor David Barker	Birmingham City Council
Councillor Philip Bateman MBE	City of Wolverhampton Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Ewan Mackey	Birmingham City Council
Councillor Emma Marshall	Worcestershire Non-Constituent Local Authorities
Councillor Paul Moore	Sandwell Metropolitan Borough Council
Councillor Jamie Tennant	Birmingham City Council
Councillor Adrian Warwick	Warwickshire County Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

##### In Attendance

Ed Cox	Executive Director for Strategy, Economy & Net Zero
Dan Essex	Governance & Scrutiny Manager
Councillor John McNicholas	Transport Delivery Overview & Scrutiny Committee
Lyndsey Roberts	Statutory Scrutiny Officer
Andy Street	Mayor of the West Midlands

##### Item No.

##### 157. Welcome & Introductions

The Chair welcomed the Mayor and members of the committee to the first mayoral question time for 2023/24 that would be focussing on WMCA policy-related matters.

##### 158. Apologies for Absence

Apologies for absence were received from Amanda Tomlinson (Business Representative) and Councillor Lauren Rainbow (Birmingham).

**159. Questions to the Mayor from Members of the Committee**

The committee pursued a number of general lines of enquiry with the Mayor, including governance and accountability, the economy, skills, green policies and housing.

The Levelling Up & Regeneration Bill that was expected to receive Royal Assent shortly would simplify the process for amalgamating the Police & Crime Commissioner role into that of the Mayor. If agreed, the WMCA together with the Office of the Police & Crime Commissioner would consider the practical arrangements of such a merger, including its governance structures. In terms of managing workloads, the Mayor considered that the appointment of a deputy, the use of delegated decision making and efficient structures were key elements to support the Chief Constable to improve the delivery of operational policing.

In respect of the events within the Middle East, the Mayor had met with the Jewish and Muslim communities, and both were understanding of the importance of each other's reactions to the Israel-Gaza conflict, which was critical for harmony between the different communities within the region. Discussions were also held with the Chief Constable regarding the guidance provided by the Home Secretary and how police officers were responding to events within the community.

Through the Deeper Devolution Deal, it had been agreed that the region's MPs would be able to scrutinise the Mayor in four Q&A sessions throughout the year. The Mayor shared his thoughts on the value of these Q&A sessions and believed that he was accountable to citizens of the West Midlands through members of the Overview & Scrutiny Committee, as their democratically elected representatives.

The Government and the WMCA recognised that the current system of funding for mayoral combined authorities was fragmented and reliant on centrally administered funds. With a single settlement arrangement, the Government would give the WMCA single capital and revenue funding that would provide long term certainty and would enable the WMCA to work more effectively. It was also recognised that there was a need to review the current process in which funds were allocated to improve the pace at which programmes and projects were delivered.

With regards to the economy, the Mayor provided an overview of the lessons learnt following the transfer of the key functions of the Local Enterprise Partnerships to the WMCA and explained how the authority ensured that the business voice continued to influence decision making within the WMCA. In relation to the cancellation of the Birmingham to Manchester leg of the HS2 scheme, it was reported that the WMCA would commission an economic impact review and would continue to look at how links to Manchester could be improved. A further discussion was held on the delivery of the Midland Rail Hub.

The committee explored questions regarding the current performance of the labour market, including high unemployment and vacancy rates, the nature of vacancies, reskilling and skills bootcamps. The Mayor also shared his views on the impact of the Government's announcements related to its net zero policies, climate emergencies and partnership working with local authorities to progress to net zero.

Whilst it was recognised that the 2023 scorecards published by Climate Emergency UK had shown that the WMCA had performed well in relation to its work around the climate emergency, the Chair highlighted that the four Black Country authorities were below average and therefore work needed to be undertaken to ensure that these authorities were on target and were able to deliver net zero.

In respect of the 'green' agenda, the importance of energy creation and security to enable the UK to be self sufficient was highlighted. It was noted that the WMCA had currently focussed on reducing energy consumption.

The committee explored the opportunities for the WMCA to encourage housing associations to use modern methods of construction to help deliver the number of affordable and social homes required. Although 20% of new homes in developments supported by the WMCA must be classed as 'affordable' under its funding programmes, members enquired about the energy standards that were being encouraged.

The committee highlighted the importance of the non-financial support options that might be available via the WMCA to help support local authorities that currently experienced financial difficulties.

[Councillor Philip Bateman declared a non-pecuniary interest in this item, in relation to Birmingham International Airport, as a Director representing Wolverhampton]

Resolved:

The following observations be shared with the WMCA Board for consideration and response as appropriate:

**(1) HS2 (Cancellation of Birmingham - Manchester leg)**

The Overview & Scrutiny Committee would like to understand when an analysis of the economic impact of the cancellation of the Birmingham - Manchester leg would be undertaken and would wish to review the report when completed.

It was considered that Overview & Scrutiny Committee members should be kept abreast of the transportation transformations to be delivered within the Network North document, the implementation of the Midland Rail Hub and on the timeline for delivery.

**(2) Energy Creation**

Although it was recognised that the current focus on the WMCA was to reduce energy consumption, Overview & Scrutiny Committee considered that the WMCA should also explore options for energy creation to help keep energy affordable for residents.

**(3) Community Engagement**

The Overview & Scrutiny Committee recognised the considerable work undertaken by the WMCA, but stressed the importance of ensuring that this was communicated to local authorities and the public to ensure that maximum benefit from its activities was being achieved.

**(4) Labour Market Overview Information**

The Overview & Scrutiny Committee would welcome sight on the local labour market information referred to by the Mayor within the Q&A session on a regular basis.

**(5) Housing – New Builds and levels of energy standards to be supported by WMCA funding.**

The Overview & Scrutiny Committee requested to receive details of the levels of energy standards being encouraged by the WMCA.

**160. Date of Next Meeting**

Monday 6 November 2023 at 10:00am

The meeting ended at 12:30pm.



### Transport Delivery Overview & Scrutiny Committee

Monday 30 October 2023 at 10.00 am

#### Minutes

##### Present

Councillor John McNicholas (Chair)	Coventry City Council
Councillor Mary Locke (Vice-Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Robert Alden	Birmingham City Council
Councillor Timothy Huxtable	Birmingham City Council
Councillor Carol Hyatt	City of Wolverhampton Council
Councillor Emma Marshall	Worcestershire Non-Constituent Local Authorities
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Barbara McGarrity	City of Wolverhampton Council
Councillor Steve Melia	Sandwell Metropolitan Borough Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Ian Ward	Birmingham City Council

##### In Attendance

Councillor Mike Bird	Walsall Metropolitan Borough Council
Dan Essex	Governance & Scrutiny Manager
Anne Shaw	Executive Director for Transport for West Midlands

##### Item No. Title

##### 24. Inquorate Meeting

This meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 17 November.

##### 25. Welcome and Introductions

The Chair welcomed the Portfolio Lead Member and members of the committee to the first question time for 2023/24 that would be focussing on transport policy and delivery related matters.

##### 26. Apologies for Absence

Apologies for absence were received from Councillor Aqueela Choudhry (Sandwell), Councillor Amo Hussain (Walsall), Councillor Narinder Kaur Kooner (Birmingham), Councillor Saddak Miah (Birmingham), Councillor Josh O'Nyons (Solihull) and Councillor Alan Taylor (Dudley).

**27. Opening Statement from the Portfolio Lead for Transport**

The Portfolio Lead gave an introductory statement focusing on his vision for transport in the West Midlands, priorities for the year, transport funding and the CRSTS programme. The Hydrogen Bus Programme was also referred to and the need for cars to be considered when improving environmental impacts was highlighted.

**28. Questions to the Portfolio Lead from Members of the Committee**

The committee pursued a number of general lines of enquiry with the Portfolio Lead for Transport, including the local transport plan, bus operations the regional road safety strategy and customer communications.

The committee discussed the need for a phased approach to the implementation of the local transport plan, with a focus on good opportunities for public transport and input from Transport for West Midlands into all planning applications. The committee also discussed the shift in policy around the local transport plan, with the emphasis now on infrastructure for public transport. Councillor Mike Bird hoped for a change in government policy to reflect the different needs of the West Midlands region compared to London.

In response to a question from Councillor Ian Ward, it was confirmed that TfWM had 100 hydrogen buses on order, with 24 already ordered and the rest of the buses would be ordered when the business cases were approved. The committee agreed that hydrogen buses and electric vehicles were a promising technology, but there were still some unknowns that need to be addressed. TfWM was working with the industry to explore the possibilities.

With regards to bus services, the committee were open to exploring alternative ways for the provision of services in the West Midlands and were particularly interested in finding ways to reduce the reliance on National Express West Midlands.

The committee acknowledged the importance of reliability and real-time information in encouraging people to use public transport. Councillor Mike Bird explained that the WMCA was working to improve reliability through live communications and consultation with bus operators, as well as by improving the road network with bus lanes and other measures.

Demand responsive transport was discussed and whether the WMCA would consider using this method to improve reliability. The Executive Director for Transport for West Midlands confirmed that the local authorities, the WMCA and police were developing an action plan for the regional road safety strategy which would include monitoring and evaluation.

In response to a question from Councillor Emma Marshall, the Executive Director for Transport for West Midlands noted that the WMCA had been working on improving its website and feedback procedure. The WMCA was also looking to conduct a consultation that included the public to develop transportation priorities.

Resolved:

The following observations be shared with the WMCA Board and Portfolio Lead Member for Transport for consideration and response as appropriate:

**(1) Bus Reliability**

WMCA officers should consider applying pressure on operators to improve the technology on buses to encourage accurate and reliable real-time information.

**(2) Demand Responsive Transport**

The committee explored whether the WMCA would consider using a demand responsive transport system to improve reliability and agreed that a report be considered at a future meeting.

**(3) Regional Road Safety Strategy - Action Plan**

The committee expressed a wish to be kept apprised on the development of the Regional Road Safety Strategy action plan and agreed that a report be presented at a future meeting.

**(4) Communications and Engagement**

The committee considered that communication and engagement was an area that needed further review by the Transport Delivery Overview & Scrutiny Committee.

**29. Closing Comments from the Portfolio Lead for Transport and Chair**

Councillor Mike Bird thanked the committee for their hard work and dedication. He commended Councillor Ian Ward for his work as the previous Portfolio Lead for Transport.

**30. Date of Next Meeting**

Monday 30 October 2023 at 1.00pm and Monday 11 December 2023 at 1.00pm

The meeting ended at 12.00 pm.

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## West Midlands Combined Authority

### Transport Delivery Overview & Scrutiny Committee

Monday 30 October 2023 at 1.00 pm

#### Minutes

##### Present

Councillor John McNicholas (Chair)  
Councillor Mary Locke (Vice-Chair)  
Councillor Pervez Akhtar  
Councillor Robert Alden  
Councillor Timothy Huxtable  
Councillor Carol Hyatt  
Councillor Emma Marshall

Councillor Martin McCarthy  
Councillor Barbara McGarrity  
Councillor Steve Melia  
Councillor David Stanley  
Councillor Alan Taylor  
Councillor Ian Ward

Coventry City Council  
Birmingham City Council  
Coventry City Council  
Birmingham City Council  
Birmingham City Council  
City of Wolverhampton Council  
Worcestershire Non-Constituent Local Authorities  
Solihull Metropolitan Borough Council  
City of Wolverhampton Council  
Sandwell Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Birmingham City Council

##### In Attendance

Anne Shaw

Dan Essex  
Janna Simpson  
Paula Higgins  
Councillor Saddak Miah (joined by teams)  
Mal Drury-Rose

John Hayes

Peter Sargant

Executive Director for Transport for West Midlands

Governance & Scrutiny Manager  
Governance Services Officer  
Head of Swift on Rail  
Birmingham City Council

Executive Director (WMRE) and Director of Rail (TfWM)

Head of Bus, Integrated Transport Services

The Head of Rail Policy and Strategy

##### Item No.

##### 31. Inquorate Meeting

This meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 17 November.

**32. Apologies for Absence**

Apologies for absence were received from Councillor Aqeela Choudhry (Sandwell), Councillor Amo Hussain (Walsall), Councillor Narinder Kaur Kooner (Birmingham), Councillor Josh O'Nyons (Solihull) and Councillor Alan Taylor (Dudley).

**33. Minutes - 4 September 2023**

The minutes were agreed as a correct record, subject to a minor amendment to minute no. 22 to reflect that Councillor Robert Alden requested that the committee received an update on the Rail Ticket Officers Closure Consultation.

**34. Rail Ticket Office Closures**

The Executive Director (WMRE) and Director of Rail (TfWM) presented a report to the committee on the status of the rail ticket office closure proposals made by the rail industry.

On 5 July 2023, 13 train companies contracted by the Department for Transport (DfT) launched a consultation on proposed changes to the way that tickets are sold at railway stations. These changes looked to move staff out of traditional booking offices and into the public areas of stations. The Head of Rail Policy and Strategy reported that, TfWM (through the wider regional response submitted by the West Midlands Rail Executive) responded to the consultation. TfWM recognised the need to modernise the way railway stations were managed and staffed, but they could not support the proposed closures due to insufficient information around how passenger needs would be met.

Councillors echoed their support for the WMRE/TfWM consultation response on the proposed rail ticket office closures, while raising their own concerns about the impact of the closures on passenger safety, security, and accessibility. The committee will receive an update on the consultation report from responses.

Recommended:

- (1) The update on rail ticket office closures be noted.
- (2) A report would be submitted to a future meeting providing further details on the on-going process.

**35. Member Engagement Group Progress Reports**

The committee considered a report from the Scrutiny Lead Members that provided an update on their respective areas.

Members discussed matters in relation to Diamond Bus services and the regional air quality framework. It was proposed that Diamond Bus should be invited to attend a briefing session with members of the committee to discuss performance. The Head of Bus, Integrated Transport Services and the Partnership Coordinator would notify Diamond Bus at the next meeting of the Bus Alliance.

[Councillor Tim Huxtable declared an interest in this item as a member of the Bus Alliance].

Recommended:

(1) The report was noted.

(2) The recommendation of the Air Quality, Congestion & Environmental Impact Member Engagement Group that the WMCA Board considered adopting, as part of development of the Regional Air Quality Framework, stretch targets which were more ambitious in terms of timescales and pollutant concentration targets than the Government's air quality targets, and which were closer to World Health Organisation targets for NO<sub>2</sub> and PM<sub>2.5</sub> was supported.

### **36. Work Programme**

The work programme was presented by the Governance & Scrutiny Manager. The chair requested that the work programme be aligned with the WMCA forward look in light of the additional items being proposed for the next committee.

Recommended:

The work programme be noted.

### **37. Exclusion of the Public and Press**

Recommended:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they were likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.

### **38. West Midlands Rail Fares Reform Update**

The Head of Rail Policy and Strategy presented a report to the committee on the progress that is being made on rail fares reform in order to simplify the ticketing offer for rail passengers and support the implementation of the Swift on Rail programme.

The report highlighted the need for simplification and consistency in the current fares structure, which would be beneficial for all rail users; and proposed implementation of a PAYG solution on TfWM's Swift card. This would further simplify rail travel by allowing passengers to tap-in, tap-out and automatically be charged the best value fare for their journey. It was acknowledged that the proposed fare changes were complex but was argued that the downsides are outweighed by the benefits of a simplified and consistent fares structure.

Recommended:

- (1) That under the Trailblazer Deeper Devolution Deal, there was a commitment for the Great British Railways Transition Team, the Department for Transport and the WMCA to agree the scope of a pilot Pay-As-You-Go smart ticketing scheme by the end of 2023, be noted.
- (2) That the current range of rail fares did not provide a simple, consistent passenger offer and was not compatible with the future Pay-As-You-Go scheme, be noted.
- (3) The proposal to implement a two-stage process to reform rail fares with an initial package of rail fare changes planned for implementation next year, to be followed by further packages of changes aligned with the implementation of Pay-As-You-Go, be noted

**39. Any Other Business**

Councillor Mary Lock submitted a petition for the reinstatement of routes 25 and 600.

**40. Date of Next Meeting**

Monday 11 December 2023 at 1.00pm.

The meeting ended at 3.00 pm.



### Overview & Scrutiny Committee

Monday 6 November 2023 at 10.00 am

#### Minutes

#### Present

Councillor Cathy Bayton (Chair)  
Councillor Naeem Akhtar (Vice-Chair)  
Councillor Philip Bateman MBE  
Councillor Andrew Burrow  
Councillor Ian Kettle  
Councillor Nigel Lumby

Association of Black Country Authorities  
Coventry City Council  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Shropshire Non-Constituent Local Authorities  
Birmingham City Council  
Business Representative  
Warwickshire County Council  
Walsall Metropolitan Borough Council

Councillor Ewan Mackey  
Amanda Tomlinson  
Councillor Adrian Warwick  
Councillor Vera Waters

#### In Attendance

Dan Essex  
Lyndsey Roberts  
Laura Shoaf  
Kate Taylor

Governance & Scrutiny Manager  
Statutory Scrutiny Officer  
Chief Executive  
Head of Finance Business Partnering  
and Strategic Planning

Item No.	Title
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161	<b>Inquorate Meeting</b>
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This meeting was inquorate for minute nos. 168 - 171 and therefore those decisions would be submitted to the WMCA Board on 17 November 2023 for approval.

162.	<b>Apologies for Absence</b>
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Apologies for absence were received from Councillor Emma Marshall (Redditch) and Councillor Paul Moore (Sandwell).

## **163. Chair's Remarks**

### **(a) Letter received from the Police and Crime Commissioner**

The Chair referred to a letter received from the Police and Crime Commissioner regarding the Mayoral Q&A session that was held on 19 October. He had requested an opportunity to attend a future meeting of Overview & Scrutiny Committee to discuss the amalgamation of the Police and Crime Commissioner's role into that of the Mayor. As the minutes of the Mayoral Q&A session would be presented to the next meeting of the WMCA Board, it was noted that an invitation would not be extended to the Police and Crime Commissioner to attend a future meeting.

### **(b) Levelling Up & Regeneration Bill**

The Levelling Up & Regeneration Bill had now received Royal Assent and therefore constituent members would now be remunerated at the end of November, which would be backdated to June.

### **(c) Homes for the Future: Draft Strategy**

The Chair explained that she had made the decision to remove the Homes for the Future Draft Strategy report from the agenda, as it was still being finalised with discussions continuing between internal departments and therefore would not have been shared with members in sufficient time to undertake effective scrutiny. The Chief Executive commented that papers need to be acceptable for public consumption and that the information needed to be verified before being released. The Chair acknowledged that there was awareness of this issue and that the process should be sought to be improved.

## **164. Minutes - 4 September and 19 October 2023**

The minutes of the meetings held on 4 September and 19 October 2023, be agreed as a correct record.

## **165. Matters Arising**

### **(a) English Devolution Accountability Framework – Scrutiny Protocol Progress Update (minute no. 148 refers)**

The Governance & Scrutiny Manager explained that Government's scrutiny protocol was expected to be published as part of the Government's Autumn Statement on 22 November 2023, and would be presented for the committee for review following its publication.

**(b) Wolverhampton Metro Extension** (minute no. 147(b) refers)

In regard to passenger tram services to Wolverhampton railway station, Councillor Philip Bateman indicated that he had not been kept apprised on potential opening dates prior to this information being released in the media. The Chief Executive agreed to look into this matter further and would liaise with Councillor Philip Bateman directly.

**166. WMCA Homelessness Taskforce: Update and Key Priorities**

The Chair of the Homelessness Taskforce and the Senior Programme Manager presented a report on the current work programme and priorities of the WMCA Homelessness Taskforce.

The Homelessness Taskforce was working to reframe how homelessness was viewed, emphasising the concept of "ultimate exclusion." They shared statistics around the current homelessness picture and updated the committee on how they were working across sectors and regions to address the issue.

Gratitude was expressed to the team and the efforts of the taskforce to eradicate homelessness were commended. The homelessness taskforce raised one of their proposals to raise the local housing allowance (LHA) to reduce the use of temporary accommodation and the long-term economic benefits of increasing this, eliminating the right to purchase social housing, and expanding the availability of affordable homes were discussed.

The committee explored collaboration with the private sector, the difficulties of assisting people experiencing homelessness and concerns about rent-to-buy programs. In addition, the importance of breaking down silos was emphasised as members highlighted the issue of families facing disadvantages due to the limited availability of exempt accommodation.

Suggestions around investigating more effective resource allocation were explored as plans at Walsall to acquire vacant properties were shared. The financial strain on local authority homeless services was raised as the need for a collective effort and problem-solving was emphasised. In response to a question from the chair the Homelessness Taskforce representatives confirmed that collaborative efforts are underway with other regions, but the picture was similar across the country.

Resolved:

- (1) That the homelessness being experienced by vulnerable citizens across the WMCA region is actively inhibiting our ability to create a more prosperous, fairer and inclusive region for all, and that the Homelessness Taskforce has been one of the means by which the WMCA and its partners have collaborated to address this, be noted.

- (2) The Overview & Scrutiny Committee considered how the WMCA, and its partners could align efforts to accelerate progress towards the joint aim of designing out homelessness in all its manifestations, including by continuing to embed homelessness prevention into the mainstream strategies, processes, and programmes of the WMCA through cross-directorate activity and endorse the Taskforce's adoption of a broader focus on all forms of homelessness.
- (3) The Homelessness Taskforce's identified priorities for 2023/24 and beyond, including specific actions to commission a suitably experienced and qualified organisation to help investigate and articulate an evidenced based economic case; and note that the committee to considered how government could be lobbied to improve the current Local Housing Allowance (LHA) model, be endorsed.

**167. WMCA Air Quality Framework and Implementation Plan**

The Head of Environment and the Air Quality Framework Programme Lead presented the WMCA Air Quality Framework. It was report that the Air Quality Framework and Implementation Plan would be going to WMCA Board on 10 November 2023.

The Air Quality Framework Programme Lead shared the methodology and process of developing the framework including consultation. The Head of Environment updated the committee on the implementation plan and shared how the framework would align with strategic objectives and WMCA Governance before closing with funding wins and other activity to date including funding successes and survey results.

The committee discussed concerns about the potential health risks associated with log burners and the need for stricter regulations. The success of Walsall in requiring a full assessment of the impact of log burners within permitted regulations was highlighted and raising public awareness of the dangers of log burners was also emphasised. Various strategies to improve public awareness of air quality issues, including road signs, air quality alarms for homes, and incorporating air quality information into weather forecasts were suggested.

The group discussed the environmental mitigations and their consideration within the air quality framework. The Environment Lead confirmed that a local nature recovery strategy and an appendix to the framework was being developed by WSP.

It was confirmed that the Air Quality Framework and Implementation Plan would include the Overview & Scrutiny Committee within its governance structure.

Resolved:

- (1) The draft Air Quality Framework Implementation Plan for approval at the November 2023 WMCA Board be endorsed.



- (2) This paper be endorsed for presentation to the WMCA Board in November 2023.
- (3) The recommendation, made by the Transport Delivery Overview and Scrutiny Committee: Air Quality, Congestion and Environmental Impact Members Engagement Group to identify a stretch target for more ambitious air quality limits in the WMCA area than currently set out through the Environment Act 2021, be noted and supported.

**168. Levelling Up Zones, Investment Zone, and Place-based Strategies**

The Partnership and Strategic Engagement Lead and the Head of Policy and Public Affairs presented a paper to the committee on Levelling Up Zones, Investment Zone, and Place based Strategies. They shared that the work had been undertaken by local authority officers in conjunction with the WMCA around levelling up zones and the west midlands investment zone.

The aim of the Levelling Up Zones would be to focus the efforts of local, regional and central government to align diverse policy, funding and fiscal measures to support outcomes bespoke for each area. The government has also launched an Investment Zone Policy Prospectus, which aim to drive economic growth in 8 combined authority areas in England. The single settlement would be for transport, skills, housing and regeneration, net zero and local growth projects. They concluded and shared that the WMCA was working with local authorities to develop a new approach to place-based investment.

The committee discussed the retaining of business rate incentives for businesses located in the identified growth zones and the potential benefits and challenges of such a policy. It was noted that the scheme would be based on the principle of “fairness”. The committee concluded by recommending that the paper be noted. Officers agreed to continue to monitor the situation and to work with the government to develop a scheme that was fair and effective.

Recommended:

It be recommended that the WMCA Board note the development of Levelling Up Zones and Investment Zone propositions and the opportunity available through the single settlement to develop ‘place-based strategies’.

**169. Grant Register**

The Head of Finance Business Partnering and Strategic Planning presented the Grant Register. The committee received an update on new grants that had been awarded to the WMCA since the last report. In response to a question from the chair, the Head of Finance Business Partnering and Strategic Planning, confirmed that the biodiversity fund was allocated into regional spend.

Recommended:

The Grant Register be noted.

**170. Work Programme**

The Work Programme was presented by the WMCA Scrutiny Officer.

Recommended:

The Work Programme be noted.

**171. Date of Next Meeting**

The next meeting would be held Thursday 14 December at 2:00pm. It would be a Mayoral Q&A on the Proposed Draft Budget 2024/25. In preparation for the Q&A a workshop would be held on Friday 1 December at 10:00am, which would be held in a hybrid format, and attendance was encouraged.

The meeting ended at 12.00 pm.

DRAFT